# Department of Social Services MO HealthNet Division

Fiscal Year 2012 Budget Request

Ronald J. Levy, Director

**Printed with Governor's Recommendations** 

Page	Dept		1	Department Request						Governor Recommendation					
No.	Rank	Decision Item Name	FTE	GR	FF	OF	Total	_   T	FTE	GR	FF	OF	Total		
							•	_							
		MO HealthNet Administration													
70	1	Core	268.11	4,487,210	9,672,394	2,227,897	16,387,501	_	227.11	3,473,535	8,284,283	2,227,897	13,985,715		
		Total	268.11	4,487,210	9,672,394	2,227,897	16,387,501	L	227.11	3,473,535	8,284,283	2,227,897	13,985,715		
		Oliviani Orașia a Burana Mara													
02	1	Clinical Services Program Manag		404 220	40 045 000	7 973 905	40.070.004		0.00	402.012	10 015 000	5,085,805	17,785,006		
83	,	Core Total	0.00	484,338 484,338	12,215,288 12,215,288	7,273,305 7,273,305	19,972,931 19,972,931	г	0.00	483,913 483,913	12,215,288 12,215,288	5,085,805	17,785,006		
		iolai	0.00	404,330	12,213,200	1,213,300	19,972,931	L	0.00 [	400,910 [	12,213,200	3,003,003 1	11,700,000		
		Health Care Technology													
91	1	Core	0.00	0	2,500,000	2,208,788	4,708,788		0.00	0	0	0	0		
		Total	0.00	01	2,500,000	2,208,788	4,708,788	Γ	0.00	0	0	0	0		
								•							
		Women & Minority Health Care C	utreach												
99	1	Core	0.00	546,125	568,625	0	1,114,750	_	0.00	546,125	568,625	0	1,114,750		
		Total	0.00	546,125	568,625	0	1,114,750	L	0.00	546,125	568,625	0	1,114,750		
407	4	TPL Contracts	0.00	^	4 500 000	4 500 000	2 000 000		0.00	0	1 500 000	1,500,000	3,000,000		
107	1	Core Total	0.00	0	1,500,000	1,500,000	3,000,000	г	0.00	0	1,500,000	1,500,000	3,000,000		
		iolai	0.00		1,300,000	1,500,000	3,000,000	Ł	0.00		1,300,000 ]	1,000,000	3,000,000		
		Information Systems													
117	1	Core	0.00	5,344,936	33,662,638	2,655,422	41,662,996		0.00	4,838,940	32,880,170	0	37,719,110		
126	999	Health Care Tech. Incentives	0.00	-,-,-,	,,	-,, /	0		0.00	0	60,000,000	0	60,000,000		
		Total	0.00	5,344,936	33,662,638	2,655,422	41,662,996	Г	0.00	4,838,940	92,880,170	0	97,719,110		
								_							
		Pharmacy													
133	1	Core	0.00	102,181,465	551,141,140	206,328,480	859,651,085		0.00	99,564,586	550,783,970	206,328,480	856,677,036		
1	5	MHN Cost to Continue	0.00	7,647,993	13,202,586	0	20,850,579		0.00	22,635,179	13,408,057	0	36,043,236		
18	7	Caseload Growth	0.00	17,089,677	29,501,592	0	46,591,269		0.00	11,845,102	20,527,410	0	32,372,512		
34 43	11 999	Pharmacy PMPM Increase FMAP	0.00 0.00	19,941,196	34,424,114	0	54,365,310		0.00	11,083,815	34,473,043 0	8,808,452 0	54,365,310 357.170		
40	223	Total	0.00	146,860,331	628,269,432	206,328,480	981,458,243	г	0.00	357,170 145,485,852	619,192,480	215,136,932	979,815,264		
		, otal	0.00	140,000,001	020,203,432	200,320,400 [	901,430,243	L	0.00	143,403,032	019,192,400	210,100,002	313,013,204		
		Pharmacy - Medicare Part D Clav	vback												
146	1	Core	0.00	121,061,000	1	0	121,061,001		0.00	121,061,000	1	0	121,061,001		
152	14	Clawback Increase	0.00	89,394,824	0	0	89,394,824		0.00	72,729,001	0	0	72,729,001		
		Total	0.00	210,455,824	1	0	210,455,825		0.00	193,790,001	1	0	193,790,002		
4=5		Missouri Rx Plan		_	_						_				
159	1	Core	0.00	0	0	19,602,166	19,602,166	_	0.00	0	0	19,602,166	19,602,166		
		Total	0.00	0	0	19,602,166	19,602,166	L	0.00	0	0	19,602,166	19,602,166		
		Pharmacy FRA													
168	1	Core	0.00	0	0	90,308,926	90,308,926		0.00	0	0	90,308,926	90,308,926		
.00	•	Total	0.00	<u> </u>	<del>0</del> 1	90,308,926	90,308,926	Г	0.00	01	01	90,308,926	90,308,926		
			5.55		<u> </u>	00,000,020	30,000,320	ᆫ	0.00		<u></u>	00,000,020	30,000,020		
		Physician Related													
176	1	Core	0.00	206,368,957	384,007,708	4,194,685	594,571,350		0.00	202,726,361	384,007,708	4,194,685	590,928,754		
1	- 5	MHN Cost to Continue	0.00	843,211	1,455,619	0	2,298,830		0.00	0	0	0	0		
18	7	Caseload Growth	0.00	9,248,978	15,966,339	0	25,215,317		0.00	6,461,314	11,197,374	0	17,658,688		
43	999	FMAP					0		0.00	0	1,523,088	0	1,523,088		
		Total	0.00	216,461,146	401,429,666	4,194,685	622,085,497		0.00	209,187,675	396,728,170	4,194,685	610,110,530		

Page	Dept		T	Department Request						Gov	ernor Recomme	ndation	
No.	Rank	Decision Item Name	FTE	GR	FF	OF	Total		FTE	GR	FF ]	OF	Total
								_			<u> </u>		
400	4	Dental										040.005	40.074.070
190	1	Core	0.00	6,300,475	12,693,950	919,935	19,914,360		0.00	6,300,475	12,653,860	919,935	19,874,270
1 18	5 7	MHN Cost to Continue Caseload Growth	0.00 0.00	27,886 305,869	48,138	0	76,024		0.00	102.027	0	0	0 527,267
43	999	FMAP	0.00	305,669	528,017	0	833,886 0		0.00 0.00	192,927 40,090	334,340 0	0	40,090
-10	000	Total	0.00	6,634,230	13,270,105	919,935	20,824,270	Г	0.00	6,533,492	12,988,200	919,935	20,441,627
						0.0,000		_	0.00 ;	0,000,102	,,	-3.575-5-1	. = = 5,5 1,55 == 1
		Premium Payments											
202	1	Core	0.00	67,615,042	122,788,916	0	190,403,958		0.00	67,604,856	122,788,916	0	190,393,772
1	5	MHN Cost to Continue	0.00	5,706,365	9,850,792	0	15,557,157		0.00	0	0	0	0
18	7	Caseload Growth	0.00	3,052,453	5,269,394	0	8,321,847		0.00	2,302,886	3,990,873	. 0	6,293,759 11,301,984
211 43	12 999	Medicare Premium Increase FMAP	0.00	16,292,130	29,227,353	0	45,519,483		0.00 0.00	3,977,661 0	7,324,323 10,186	0	10,186
40	333	Total	0.00	92,665,990	167,136,455	01	259,802,445	Г	0.00	73,885,403	134,114,298	01	207,999,701
		rotar	0.00 [	02,000,000	107,100,400 [		200,002,440		0.00	10,000,400	101,111,200 ]		201,000,00
		Nursing Facilities											
218	1	Core	0.00	144,053,995	370,084,077	70,262,188	584,400,260		0.00	133,598,846	354,152,493	70,262,188	558,013,527
43	999	FMAP						_	0.00	0	455,149	0	455,149
		Total	0.00	144,053,995	370,084,077	70,262,188	584,400,260	L	0.00	133,598,846	354,607,642	70,262,188	558,468,676
		Home Health											
229	1	Core	0.00	2,251,638	4,672,954	159,305	7,083,897		0.00	2,251,638	4,491,899	159,305	6,902,842
1	5	MHN Cost to Continue	0.00	134,152	231,585	0	365,737		0.00	46,758	81,032	0	127,790
18	7	Caseload Growth	0.00	159,105	274,659	Ö	433,764		0.00	109,407	189,601	0	299,008
43	999	FMAP						_	0.00	181,055	00	0	181,055
		Total	0.00	2,544,895	5,179,198	159,305	7,883,398		0.00	2,588,858	4,762,532	159,305	7,510,695
		PACE											
237	1	Core	0.00	1,464,091	3,149,484	0	4.613.575		0.00	1,464,091	3,149,484	0	4,613,575
1	5	MHN Cost to Continue	0.00	232,891	0,140,404	ő	4,010,010		0.00	85,089	147,459	ŏ	232,548
43	999	FMAP			-	_	-		0.00	0	224,016	0	224,016
		Total	0.00	1,696,982	3,149,484	0	4,613,575		0.00	1,549,180	3,520,959	0	5,070,139
247	4	Rehab & Specialty Services Core	0.00	70 605 406	450 040 700	40 500 400	054 440 440		0.00	70 645 004	450 040 700	12,582,499	250,338,306
247 1	1 5	MHN Cost to Continue	0.00 0.00	79,625,136 575,813	159,210,783 419,513	12,582,499 0	251,418,418 995,326		0.00 0.00	78,545,024 614,807	159,210,783 1,065,453	12,302,499	1,680,260
18	7	Caseload Growth	0.00	2,665,574	4,601,531	ő	7,267,105		0.00	1,821,192	3,156,102	ő	4,977,294
259	13	Hospice Rate Increase	0.00	144,737	249,858	ő	394,595		0.00	144,380	250,215	Ō	394,595
43	999	FMAP	0.00	•	•		0		0.00	0	488,143	0	488,143
		Total	0.00	83,011,260	164,481,685	12,582,499	260,075,444		0.00	81,125,403	164,170,696	12,582,499	257,878,598
		AIPER											
265	1	NEMT Core	0.00	11 206 422	24,363,156	0	25 750 500		0.00	10,720,683	24,363,156	0	35,083,839
1	5	MHN Cost to Continue	0.00	11,396,432 35,793	61,790	0	35,759,588 97,583		0.00 0.00	304,981	528,527	0	833,508
18	7	Caseload Growth	0.00	392,610	677,756	0	1,070,366		0.00	268,217	464,817	ő	733,034
43	999	FMAP	0.00	002,010	0.1,.00	ŭ	0,070,000		0.00	0	675,749	ō	675,749
		Total	0.00	11,824,835	25,102,702	0	36,927,537	Г	0.00	11,293,881	26,032,249	0	37,326,130
275	4	Managed Care	0.00	000 444 740	004 770 074	440.000.470	4 055 400 505		0.00	000 444 740	070 007 004	440 000 470	4 050 005 005
275 1	1 5	Core MHN Cost to Continue	0.00 0.00	260,111,748	681,770,871		1,055,190,795		0.00	260,111,748	678,665,081	, ,	1,052,085,005
18	7	Caseload Growth	0.00	2,147,391 13,499,158	2,124,520 23,303,346	0	4,271,911 36,802,504		0.00 0.00	16,603,713 9,370,346	0 16,238,688	0 0	16,603,713 25,609,034
43	999	FMAP	0.00	10,700,100	20,000,070	U	30,802,304		0.00	3,105,790	10,230,000	0	3,105,790
60	999	Managed Care Actuarial Increase	0.00				ő		0.00	26,652,182	46,187,889	Ö	72.840.071
		Total	0.00	275,758,297	707,198,737	113,308,176	1,096,265,210	Г	0.00	315,843,779	741,091,658		1,170,243,613

Page	Dept	[			Department Requ	ıest		Γ		Gov	ernor Recomme	dation	
No.	Rank	Decision Item Name	FTE	GR	FF	OF	Total	ľ	FTE	GR	FF	OF	Total
										-		•	
000		Hospital Care	0.00	45.040.400	E40 040 400	00170000	040 050 750		0.00		540 040 400	070 400 004	704 440 000
288	1 5	Core	0.00	15,249,439	513,012,492	284,788,825	813,050,756		0.00	0	513,012,492	278,133,894	791,146,386 71,802,638
1 18	7	MHN Cost to Continue Caseload Growth	0.00	27,334,297	47,186,686	0 0	74,520,983		0.00	13,417,654	45,530,053	12,854,931 0	48,074,474
43	999	FMAP	0.00 0.00	22,518,709	38,873,627	U	61,392,336 0		0.00 0.00	17,590,450 0	30,484,024 1,825,602	0	1,825,602
	333	Total :	0.00	65,102,445	599,072,805	284,788,825	948,964,075	Г	0.00	31,008,104	590,852,171	290,988,825	912,849,100
		· Ottal	0.00	00,102,440	000,012,000 1	204,100,020	340,304,013	L	0.00	31,000,104	330,00Z,171	230,000,020	012,040,100
		Physician Payments for Safety Ne	t										
300	1	Core	0.00	0	8,000,000	0	8,000,000		0.00	0	8,000,000	0	8,000,000
		Total	0.00	0	8,000,000	0	8,000,000		0.00	0	8,000,000	0	8,000,000
					<del></del>								
		FQHC Distribution		<b>-</b>			<b>=</b> 000 000			4 000 000	•	•	4 000 000
307 315	1 999	Core	0.00	7,020,000	0 0	0	7,020,000		0.00	4,020,000	0	0	4,020,000
315	999	Medical Home FQHC Total	0.00 0.00 l	7,020,000	01	0	7,020,000	г	0.00 0.00 l	4,020,000	9,000,000	01	9,000,000
		Total	0.00	7,020,000	<u> </u>	<u> </u>	7,020,000	ᆫ	0.00	4,020,000	9,000,000		10,020,000
		Federal Reimbursement Allowand	e										
321	1	Core	0.00	0	0	878,929,394	878,929,394		0.00	0	0	878,929,394	878,929,394
		Total	0.00	0	0	878,929,394	878,929,394	Γ	0.00	0	0	878,929,394	878,929,394
		IGT Safety Net Hospitals		_						_		<b>70.010.001</b>	400 054 540
329	1	Core	0.00	0	129,505,748	70,348,801	199,854,549	_	0.00	0	129,505,748	70,348,801	199,854,549
		Total	0.00	0	129,505,748	70,348,801	199,854,549	L	0.00		129,505,748	70,348,801	199,854,549
		IGT DMH Medicaid Programs											
336	1	Core	0.00	0	112,898,554	65,731,662	178,630,216		0.00	0	112,898,554	65,731,662	178,630,216
-	•	Total	0.00	ŏı	112,898,554	65,731,662	178,630,216	Г	0.00	01	112,898,554	65,731,662	178,630,216
								-					
		Women's Health Services											
343	1	Core	0.00	892,994	9,337,827	216,790	10,447,611		0.00	892,994	8,449,349	216,790	9,559,133
1	5	MHN Cost to Continue	0.00	424,441	0	0	424,441		0.00	50,507	408,648	0	459,155
34 43	11 999	Pharmacy PMPM Increase FMAP	0.00	20,894	169,054	0	189,948		0.00	20,894	169,05 <b>4</b> 0	0	189,948 888,478
43	555	Total	0.00	1,338,329	9,506,881	216,790	11,062,000	г	0.00	888,478 1,852,873	9,027,051	216,790	11,096,714
		rotar	0.00	1,000,029	3,300,001	210,790	11,002,000	Ŀ	0.00	1,002,070	9,021,001	210,730	11,000,714
		CHIP											
353	1	Core	0.00	23,277,111	116,118,899	16,991,480	156,387,490		0.00	22,967,232	116,118,899	16,991,480	156,077,611
1	5	MHN Cost to Continue	0.00	375,616	1,087,062	0	1,462,678		0.00	2,590,982	7,526,090	0	10,117,072
18	7	Caseload Growth	0.00	4,120,039	11,923,726	0	16,043,765		0.00	1,415,410	4,111,378	0	5,526,788
34	11	Pharmacy PMPM Increase	0.00	582,386	1,685,473	0	2,267,859		0.00	580,799	1,687,060	0	2,267,859
43	999	FMAP					0		0.00	0	309,879	0	309,879
60	999	Managed Care Actuarial Increase Total	0.00 1	00.055.450.1	400 045 400 1	40.004.400	0	_	0.00	1,523,152	4,424,339	0	5,947,491
		Total	0.00	28,355,152	130,815,160	16,991,480	176,161,792	L	0.00	29,077,575	134,177,645	16,991,480	180,246,700
		Nursing Facility FRA											
363	1	Core	0.00	0	0	235,091,756	235,091,756		0.00	0	0	235,091,756	235,091,756
	-	Total	0.00	0	ŎĪ	235,091,756	235,091,756	Г	0.00	ŏı	ŏΤ	235,091,756	235,091,756
		•			- I	· · · · · · · · · · · · · · · · · · ·		_		L			
		School District Medicaid Claiming											
372	1	Core	0.00	69,954	33,299,954	0	33,369,908		0.00	69,954	33,299,954	0	33,369,908
1	5	MHN Cost to Continue	0.00	0	23,933,027	0	23,933,027	_	0.00	0	21,353,816	0	21,353,816
		Total	0.00	69,954	57,232,981	0	57,302,935	L	0.00	69,954	54,653,770	0	54,723,724

Page	Dept				Department Req	uest				Go	vernor Recomme	ndation	
No.	Rank	Decision Item Name	FTE	GR	FF	OF	Total		FTE	GR	FF	OF	Total
004		State Medical	2.22	04.044.400		1 242 705			0.00	04.044.400		4 040 705	22.054.074
381	1	Core	0.00	31,241,106	U	1,813,765	33,054,871		0.00	31,241,106	0	1,813,765	33,054,871 736,767
34	11	Pharmacy PMPM Increase	0.00	736,767	U	U	736,767		0.00	736,767	U.	<u>U</u>	
		Total	0.00	31,977,873	0	1,813,765	33,791,638		0.00	31,977,873	0_1	1,813,765	33,791,638
389	1	MO HealthNet Supplemental Pool Core	0.00	0	24,107,486	11,590,598	35,698,084		0.00	0	24,107,486	11,590,598	35,698,084
		Total	0.00	0	24,107,486	11,590,598	35,698,084		0.00	0	24,107,486	11,590,598	35,698,084
		Total MO HealthNet Core	268.11	1,091,043,192	3,320,282,945				227.11	1,052,483,107	3,295,108,199		6,432,919,508
		Total MO HealthNet Division	268.11	1,336,694,147	3,616,560,102	2,099,034,843	7,052,289,092		227.11	1,282,231,262	3,644,879,676	2,106,991,585	7,034,102,523

# NEW DECISION ITEM RANK: 5

Department: Social Services

Budget Unit: 90541C, 90544C, 90546C, 90547C, 90550C, 90551C, 90552C

Division: MO HealthNet

DI Name: MO HealthNet Cost to Continue

90554C, 90556C, 90561C, 90564C, 90568C, 90569C

DI#: 1886012

1. AMOUNT	OF REQUEST		<u>.</u> .		<del></del>	******			
		FY 2012 Budg	et Request			FY 20	012 Governor's	Recommenda	tion
[	GR	Federal	Other	Total		GR	Federal	Other	Total
PS			· <del></del>		PS				
EE					EE				450 050 700
PSD	45,485,849	99,601,318		145,087,167	PSD	56,349,670	90,049,135	12,854,931	159,253,736
TRF Total	45,485,849	99,601,318		145,087,167	TRF Total	56,349,670	90,049,135	12,854,931	159,253,736
:									
FTE				0.00	FTE				0.00
_	_	0   use Bill 5 except i atrol, and Conser		ges budgeted		e 0 nes budgeted in Ho MoDOT, Highway P			ges budgeted
Other Funds:					Other Fund	s: Health Initiative I Healthy Family T Third Party Liabi Uncompensated	rust Fund (HFT lity (TPL) (0120)	F) (0625)	
2. THIS REQU	IEST CAN BE C	ATEGORIZED A	S:						
	New Legislation				New Program		1	Fund Switch	
	Federal Mandate	•			Program Expans			Cost to Continue	
	GR Pick-Up				Space Request	_		Equipment Rep	lacement
	Pay Plan				Oth <u>er:</u>				

# 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funds additional anticipated costs for the following programs: Pharmacy, Home Health, PACE, Rehab & Specialty, NEMT, Hospital, Managed Care, CHIP, Women's Health and School District Claiming to ensure the core is sufficiently funded.

The Federal Authority is Social Security Act 1902(a)(10), 1903(w), 1905, 1915(d), 1915(b), 1923(a)-(f), 2100 and 1115 Waiver; 42 CFR 406, 410, 412, 418, 431, 433, 440, 441 subpart B, and 434 subpart C. State Authority is 208.151, 208.152, 208.153, 208.166, 167.600 through 167.621, 191.831 RSMo.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The MHD performed detailed projections of all program cores. These projections include estimating expenditures for the next fiscal year in order to ensure adequate funding is available. Federal Match rate used is 63.32% and 74.32% for CHIP.

	Total	GR	Federal
Pharmacy	\$20,850,579	\$7,647,993	\$13,202,586
Physician	\$2,298,830	\$843,211	\$1,455,619
Dental	\$76,024	\$27,886	\$48,138
Buy-In (Premiums)	\$15,557,157	\$5,706,365	\$9,850,792
Home Health	\$365,737	\$134,152	\$231,585
PACE	\$232,891	\$232,891	
Rehab & Specialty	\$995,326	\$575,813	\$419,513
NEMT	\$97,583	\$35,793	\$61,790
Hospital	\$74,520,983	\$27,334,297	\$47,186,686
Managed Care	\$4,271,911	\$2,147,391	\$2,124,520
CHIP	\$1,462,678	\$375,616	\$1,087,062
Women's Health	\$424,441	\$424,441	
School District Claiming	\$23,933,027		\$23,933,027
Total	\$145,087,167	\$45,485,849	\$99,601,318

#### Governor's Recommendations:

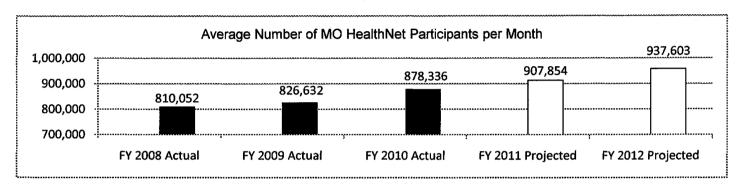
Governor's Recommendations are based on MO HealthNet expenditures through November, 2010 and include the updated FMAP percentage that the federal government will use. Other funds including Third Party Liability, Uncompensated Care, Healthy Family Trust and Health Initiative funds have been used in place of GR.

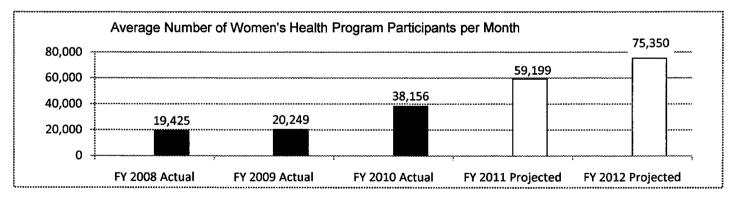
	Total	GR	Federal	Other
Pharmacy	\$36,043,236	\$22,635,179	\$13,408,057	
Physician				
Dental				
Buy-In (Premiums)				
Home Health	\$127,790	\$46,758	\$81,032	
PACE	\$232,548	\$85,089	\$147,459	
Rehab & Specialty	\$1,680,260	\$614,807	\$1,065,453	
NEMT	\$833,508	\$304,981	\$528,527	
Hospital	\$71,802,638	\$13,417,654	\$45,530,053	\$12,854,931
Managed Care	\$16,603,713	\$16,603,713		
CHIP	\$10,117,072	\$2,590,982	\$7,526,090	
Women's Health	\$459,155	\$50,507	\$408,648	
School District Claiming	\$21,353,816		\$21,353,816	
Total	\$159,253,736	\$56,349,670	\$90,049,135	\$12,854,931

5. BREAK DOWN THE REQUEST E	BY BUDGET OBJE	CT CLASS, J	OB CLASS, AND	FUND SOU	RCE. IDENTIFY	ONE-TIME	COSTS.		
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions Total PSD	45,485,849 <b>45,485,849</b>		99,601,318 <b>99,601,318</b>		0		145,087,167 <b>145,087,167</b>		, O
Transfers Total TRF	0		0		0		0		0
Grand Total	45,485,849	0.0	99,601,318	0.0	0	0.0	145,087,167	0.0	0
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions Total PSD	56,349,670 <b>56,349,670</b>		90,049,135 <b>90,049,135</b>		12,854,931 <b>12,854,931</b>		159,253,736 <b>159,253,736</b>		0
Transfers Total TRF	0		0		0		0		0
Grand Total	56,349,670	0.0	90,049,135	0.0	12,854,931	0.0	159,253,736	0.0	0

# 6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

- 6a. Provide an effectiveness measure.
- 6b. Provide an efficiency measure.
- 6c. Provide the number of clients/individuals served, if applicable.





6d. Provide a customer satisfaction measure, if available.

#### 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

DECISION ITEM DETAIL

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PHARMACY	DOLLAR		DOLLAR	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	DOLLAR		DOLLAR	
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	20,850,579	0.00	36,043,236	0.00
TOTAL - PD	0	0.00	0	0.00	20,850,579	0.00	36,043,236	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$20,850,579	0.00	\$36,043,236	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$7,647,993	0.00	\$22,635,179	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$13,202,586	0.00	\$13,408,057	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

### **DECISION ITEM DETAIL**

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF		<u> </u>						
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,298,830	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,298,830	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$2,298,830	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$843,211	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,455,619	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
DENTAL									
MO HealthNet Cost to Continue - 1886012									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	76,024	0.00	0	0.00	
TOTAL - PD	0	0.00	0	0.00	76,024	0.00	0	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$76,024	0.00	\$0	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$27,886	0.00		0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$48,138	0.00		0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00	

<b>FY12 Department of Social Service</b>	s Report#	10				E	ECISION ITE	EM DETAIL
Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PREMIUM PAYMENTS								
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	15,557,157	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	15,557,157	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$15,557,157	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$5,706,365	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$9,850,792	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
HOME HEALTH									
MO HealthNet Cost to Continue - 1886012									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	365,737	0.00	127,790	0.00	
TOTAL - PD	0	0.00	0	0.00	365,737	0.00	127,790	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$365,737	0.00	\$127,790	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$134,152	0.00	\$46,758	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$231,585	0.00	\$81,032	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

**DECISION ITEM DETAIL** 

Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
PACE									
MO HealthNet Cost to Continue - 1886012									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	232,891	0.00	232,548	0.00	
TOTAL - PD	0	0.00	0	0.00	232,891	0.00	232,548	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$232,891	0.00	\$232,548	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$232,891	0.00	\$85,089	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$147,459	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

## DECISION ITEM DETAIL

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012 GOV REC	FY 2012
Decision Item  Budget Object Class	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	DOLLAR	GOV REC FTE
REHAB AND SPECIALTY SERVICES								· · · · · · · · · · · · · · · · · · ·
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	995,326	0.00	1,680,260	0.00
TOTAL - PD	0	0.00	0	0.00	995,326	0.00	1,680,260	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$995,326	0.00	\$1,680,260	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$575,813	0.00	\$614,807	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$419,513	0.00	\$1,065,453	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
NON-EMERGENCY TRANSPORT			<u>`</u>					
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	97,583	0.00	833,508	0.00
TOTAL - PD	0	0.00	0	0.00	97,583	0.00	833,508	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$97,583	0.00	\$833,508	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$35,793	0.00	\$304,981	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$61,790	0.00	\$528,527	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
MANAGED CARE									
MO HealthNet Cost to Continue - 1886012									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,271,911	0.00	16,603,713	0.00	
TOTAL - PD	0	0.00	0	0.00	4,271,911	0.00	16,603,713	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$4,271,911	0.00	\$16,603,713	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,147,391	0.00	\$16,603,713	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$2,124,520	0.00	\$0	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOSPITAL CARE		· ·						
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	74,520,983	0.00	71,802,638	0.00
TOTAL - PD	0	0.00	0	0.00	74,520,983	0.00	71,802,638	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$74,520,983	0.00	\$71,802,638	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$27,334,297	0.00	\$13,417,654	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$47,186,686	0.00	\$45,530,053	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$12,854,931	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN'S HEALTH SRVC								
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	424,441	0.00	459,155	0.00
TOTAL - PD	0	0.00	0	0.00	424,441	0.00	459,155	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$424,441	0.00	\$459,155	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$424,441	0.00	\$50,507	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$408,648	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,462,678	0.00	10,117,072	0.00
TOTAL - PD	0	0.00	0	0.00	1,462,678	0.00	10,117,072	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$1,462,678	0.00	\$10,117,072	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$375,616	0.00	\$2,590,982	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,087,062	0.00	\$7,526,090	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
SCHOOL DISTRICT CLAIMING								
MO HealthNet Cost to Continue - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	23,933,027	0.00	21,353,816	0.00
TOTAL - PD	0	0.00	0	0.00	23,933,027	0.00	21,353,816	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$23,933,027	0.00	\$21,353,816	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$23,933,027	0.00	\$21,353,816	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### NEW DECISION ITEM RANK: 7

Department: Social Services
Division: MO HealthNet

Budget Unit: 90541C, 90544C, 90546C, 90547C, 90550C, 90551C,

90552C, 90556C, 90561C, 90564C

**DI Name: Caseload Growth** 

DI#: 1886007

		FY 2012 Budg	et Request			FY 2	012 Governor's	Recommenda	ation
!	GR	Federal	Other	Total		GR	Federal	Other	Total
<b>'</b> S					PS				
E					EE				
SD	73,052,172	130,919,987	2	03,972,159	PSD	51,377,251	90,694,607		142,071,85
RF					TRF				
otal	73,052,172	130,919,987	2	03,972,159	Total	51,377,251	90,694,607		142,071,85
TE				0.00	FTE				0.0
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st. Fringe	0	0	0	0	Est. Fringe	0	0	0	
lote: Fringes	budgeted in Ho		for certain fringes		Note: Fringe:	s budgeted in Ho	0  use Bill 5 except atrol, and Conse	for certain frin	
lote: Fringes	budgeted in Ho	use Bill 5 except	for certain fringes		Note: Fringe:	s budgeted in Ho	use Bill 5 except	for certain frin	
ote: Fringes irectly to Mol other Funds:	budgeted in Ho DOT, Highway P	use Bill 5 except	for certain fringes vation.		Note: Fringe directly to Mo	s budgeted in Ho	use Bill 5 except	for certain frin	
ote: Fringes irectly to Mol ther Funds:	budgeted in Ho DOT, Highway P	use Bill 5 except a latrol, and Conser	for certain fringes vation.		Note: Fringe directly to Mo	s budgeted in Ho	use Bill 5 except latrol, and Consei	for certain frin	
ote: Fringes irectly to Mol ther Funds:	budgeted in Ho DOT, Highway P	use Bill 5 except in a conservation and Conservation ATEGORIZED A	for certain fringes vation.		Note: Fringe: directly to Mo Other Funds:	s budgeted in Ho DOT, Highway P	use Bill 5 except latrol, and Consei	for certain frin	ges budgeted
lote: Fringes irectly to Mol	budgeted in Ho DOT, Highway P UEST CAN BE C	use Bill 5 except in a conservation and Conservation ATEGORIZED A	for certain fringes vation.		Note: Fringes directly to Mo Other Funds: New Program	s budgeted in Ho DOT, Highway P	use Bill 5 except latrol, and Conser	for certain fring rvation. und Switch	ges budgeted

NDI SYNOPSIS: To provide for anticipated caseload increases in existing MO HealthNet Programs.

CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This funding is requested to provide for anticipated caseload changes of existing MO HealthNet programs. This does not include any expansion due to changes in any eligibility guidelines. Caseload increases are projected in the Persons with Disabilities, Qualified/Medicare Beneficiaries (QMB), Custodial Parents and Children populations for an average increase of 43,807 new participants. The Federal Authority is Social Security Act 1902(a)(10), 1903(w), 1905,1915(d), 1915(b), 1923(a)-(f), 2100 and 1115 waiver; 42 CFR 406, 410, 412, 418, 431, 440, 441 subpart B and 434 subpart C. The State Authority is 208.151, 208.152, 208.153, 208.166, 167.600 thru 167.621, 191.831 RSMo.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Each category is forecasted individually. Total average annual increase is 43,807. The analysis utilized is listed below:

#### Persons with Disabilities - FFS Participants

- •Number of participants is increased at 6.81% per year (estimated 11,638 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends. Managed Care is excluded due to participant category involved.
- •Total costs for growth in this participant group are estimated at \$123.1 million.

#### QMB Only - FFS Participants

- •Number of participants is increased at 11.71% per year (estimated 1,587 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends. Managed Care is excluded due to participant category involved.
- •Total costs for growth in this participant group are estimated at \$2.3 million.

#### Children- FFS and Managed Care Participants

- •Number of participants is increased at 5.13% per year (estimated 23,197 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends.
- •Total costs for growth in this participant group are estimated at \$62.5 million.

#### Children Health Insurance Program (CHIP) - FFS and Managed Care Participants

- •Number of participants is increased at 10.17% per year (estimated 7,385 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends.
- •Total costs for growth in this participant group are estimated at \$16.0 million.

	Total	GR	Federal
Pharmacy	46,591,269	17,089,677	29,501,592
Physician	25,215,317	9,248,978	15,966,339
Dental	833,886	305,869	528,017
Buy-In	8,321,847	3,052,453	5,269,394
Home Health	433,764	159,105	274,659
Rehab & Specialty	7,267,105	2,665,574	4,601,531
NEMT	1,070,366	392,610	677,756
Hospital	61,392,336	22,518,709	38,873,627
Managed Care	36,802,504	13,499,158	23,303,346
CHIP	16,043,765	4,120,039	11,923,726
Total	\$203,972,159	\$73,052,172	\$130,919,987

#### Governor's Recommendations:

The Governor's Recommendations are based on the updated information below including FMAP:

Each category is forecasted individually. Total average annual increase is 27,097. The analysis utilized is listed below:

#### Persons with Disabilities - FFS Participants

- •Number of participants is increased at 4.67% per year (estimated 7,939 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends. Managed Care is excluded due to participant category involved.
- •Total costs for growth in this participant group are estimated at \$89.6 million.

#### QMB Only - FFS Participants

- •Number of participants is increased at 11.71% per year (estimated 1,587 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends. Managed Care is excluded due to participant category involved.
- •Total costs for growth in this participant group are estimated at \$2.3 million.

#### Children- FFS and Managed Care Participants

- •Number of participants is increased at 2.88% per year (estimated 12,952 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends.
- •Total costs for growth in this participant group are estimated at \$34.9 million.

#### Children Health Insurance Program (CHIP) - FFS and Managed Care Participants

- •Number of participants is increased at 3.56% per year (estimated 2,544 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends.
- •Total costs for growth in this participant group are estimated at \$5.5 million.

#### Custodial Parents - FFS and Managed Care Participants

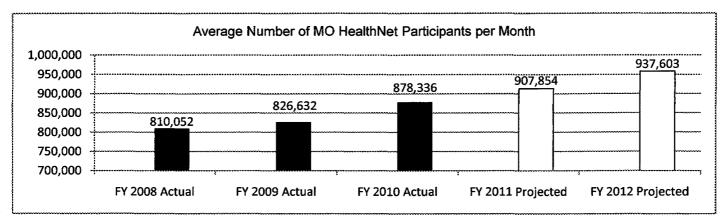
- •Number of participants is increased at 2.53% per year (estimated 2,075 new participants) based on historical trends.
- •Costs per participant per month are adjusted by program based on historical trends.
- •Total costs for growth in this participant group are estimated at \$9.8 million.

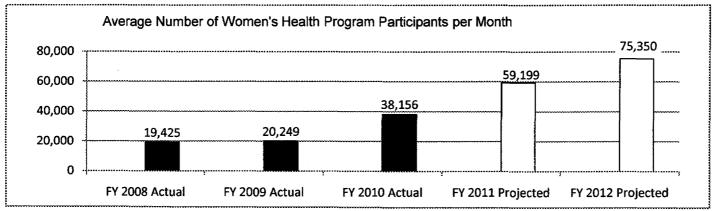
	Total	GR	Federal
Pharmacy	32,372,512	11,845,102	20,527,410
Physician	17,658,688	6,461,314	11,197,374
Dental	527,267	192,927	334,340
Buy-In	6,293,759	2,302,886	3,990,873
Home Health	299,008	109,407	189,601
Rehab & Specialty	4,977,294	1,821,192	3,156,102
NEMT	733,034	268,217	464,817
Hospital	48,074,474	17,590,450	30,484,024
Managed Care	25,609,034	9,370,346	16,238,688
CHIP	5,526,788	1,415,410	4,111,378
Total	\$142,071,858	\$51,377,251	\$90,694,607

5. BREAK DOWN THE REQUEST I	BY BUDGET OBJE	CT CLASS, JO	OB CLASS, AND	FUND SOUR	CE. IDENTIF	Y ONE-TIME	COSTS.		
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		O
Program Distributions Total PSD	73,052,172 <b>73,052,172</b>		130,919,987 <b>130,919,987</b>		0		203,972,159 <b>203,972,159</b>		0
Transfers Total TRF	0		0		0		0		0
Grand Total	73,052,172	0.0	130,919,987	0.0	0	0.0	203,972,159	0.0	0
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions Total PSD	51,377,251 <b>51,377,251</b>		90,694,607 <b>90,694,607</b>		0		142,071,858 <b>142,071,858</b>		0
Transfers Total TRF					_				
I O Lat I TKF	0		0		0		0		0

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

- 6a. Provide an effectiveness measure.
- 6b. Provide an efficiency measure.
- 6c. Provide the number of clients/individuals served, if applicable.





6d. Provide a customer satisfaction measure, if available.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								-
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	46,591,269	0.00	32,372,512	0.00
TOTAL - PD	0	0.00	0	0.00	46,591,269	0.00	32,372,512	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$46,591,269	0.00	\$32,372,512	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$17,089,677	0.00	\$11,845,102	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$29,501,592	0.00	\$20,527,410	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PHYSICIAN RELATED PROF		**************************************						
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	25,215,317	0.00	17,658,688	0.00
TOTAL - PD	0	0.00	0	0.00	25,215,317	0.00	17,658,688	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$25,215,317	0.00	\$17,658,688	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$9,248,978	0.00	\$6,461,314	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$15,966,339	0.00	\$11,197,374	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item  Budget Object Class	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
DENTAL DENTAL	DOLLAIN	112	DOLLAR	116	DOLLAR	772	DOLLAN	
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	833,886	0.00	527,267	0.00
TOTAL - PD	0	0.00	0	0.00	833,886	0.00	527,267	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$833,886	0.00	\$527,267	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$305,869	0.00	\$192,927	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$528,017	0.00	\$334,340	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PREMIUM PAYMENTS			<del>==</del>				<del></del>	
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	8,321,847	0.00	6,293,759	0.00
TOTAL - PD	0	0.00	0	0.00	8,321,847	0.00	6,293,759	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$8,321,847	0.00	\$6,293,759	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$3,052,453	0.00	\$2,302,886	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$5,269,394	0.00	\$3,990,873	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
HOME HEALTH								
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	c	0.00	0	0.00	433,764	0.00	299,008	0.00
TOTAL - PD	C	0.00	0	0.00	433,764	0.00	299,008	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$433,764	0.00	\$299,008	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$159,105	0.00	\$109,407	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$274,659	0.00	\$189,601	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
REHAB AND SPECIALTY SERVICES								<del> </del>
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	7,267,105	0.00	4,977,294	0.00
TOTAL - PD	0	0.00	0	0.00	7,267,105	0.00	4,977,294	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$7,267,105	0.00	\$4,977,294	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,665,574	0.00	\$1,821,192	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$4,601,531	0.00	\$3,156,102	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NON-EMERGENCY TRANSPORT								
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	(	0.00	0	0.00	1,070,366	0.00	733,034	0.00
TOTAL - PD		0.00	0	0.00	1,070,366	0.00	733,034	0.00
GRAND TOTAL	\$	0.00	\$0	0.00	\$1,070,366	0.00	\$733,034	0.00
GENERAL REVENUE	\$	0.00	\$0	0.00	\$392,610	0.00	\$268,217	0.00
FEDERAL FUNDS	\$	0.00	\$0	0.00	\$677,756	0.00	\$464,817	0.00
OTHER FUNDS	\$1	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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2	FY 2012	FY 2012

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MANAGED CARE								
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	36,802,504	0.00	25,609,034	0.00
TOTAL - PD	0	0.00	0	0.00	36,802,504	0.00	25,609,034	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$36,802,504	0.00	\$25,609,034	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$13,499,158	0.00	\$9,370,346	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$23,303,346	0.00	\$16,238,688	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

FY12 Depart	tment of	Social	<b>Services</b>	Report #10
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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC FTE
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	
HOSPITAL CARE								
MO HealthNet Caseload Growth - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	61,392,336	0.00	48,074,474	0.00
TOTAL - PD	0	0.00	0	0.00	61,392,336	0.00	48,074,474	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$61,392,336	0.00	\$48,074,474	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$22,518,709	0.00	\$17,590,450	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$38,873,627	0.00	\$30,484,024	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	OLLAR FTE		FTE	
CHILDREN'S HEALTH INS PROGRAM									
MO HealthNet Caseload Growth - 1886007									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	16,043,765	0.00	5,526,788	0.00	
TOTAL - PD	0	0.00	0	0.00	16,043,765	0.00	5,526,788	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$16,043,765	0.00	\$5,526,788	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$4,120,039	0.00	\$1,415,410	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$11,923,726	0.00	\$4,111,378	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

# NEW DECISION ITEM

RANK: 11

**Department: Social Services** 

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase

Budget Unit: 90541C, 90554C, 90556C, 90585C

DI#: 1886011

		FY 2012 Budg	et Request			FY 2	012 Governor's	Recommendat	ion
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE		8		
PSD	21,281,243	36,278,641		57,559,884	PSD	12,422,275	36,329,157	8,808,452	57,559,884
TRF					TRF				
Total	21,281,243	36,278,641		57,559,884	Total	12,422,275	36,329,157	8,808,452	57,559,884
FTE				0.00	FTE				0.00
-	0   s budgeted in Hou DOT, Highway Pa	•	_	0 es budgeted			0   ouse Bill 5 except Patrol, and Conse		es budgeted
Other Funds:					Other Funds:	Pharmacy Rein	nbursement Allov	vance (0144)	
2. THIS REQU	JEST CAN BE C	ATEGORIZED A	s:						
	New Legislation			1	New Program		F	Fund Switch	
	Federal Mandate	Э	-	F	Program Expansion	on	(	Cost to Continue	<b>!</b>
			-		Space Request	•	F	Equipment Repla	cement
	GR Pick-Up				space mequesi			-qaipinont i topit	2001110111

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funds are needed to address the anticipated increases in the pharmacy program due to new drugs, therapies and inflation. The request includes a 5.83% inflationary factor for all eligibles.

This decision item requests funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures due to increased utilization.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Pharmacy costs continue to grow at a higher rate than other medical costs. The increasing costs can be attributed to the rising cost of drug ingredients, an increase in units per prescription, the cost of new, expensive medications, and utilization increases. The increase in ingredient costs is due to the inflationary increases which are incorporated into the overall pricing of prescription medications by the pharmaceutical industry as well as the addition of new, expensive agents to the marketplace. The inflation rate in this decision item is consistent with the projected inflation rate being projected by all pharmacy payers.

According to the latest Express Scripts (ESI) Trend Report, ESI is projecting a trend increase of 23.3% for Specialty drugs and a trend increase of 2% for Non-Specialty drugs. The disabled population utilizes a disproportionate share of Specialty drugs and therefore, the overall projected increase is higher than the average. In FY12, the MHD pharmacy expenditures are expected to be 18% Specialty and 82% for Non-Specialty. This equates to a blended rate of 5.83%.

#### Calculation:

	Elderly	% Increase	Disabled	% Increase	Other	% Increase
FY10	\$194.99		\$452.53		\$47.20	
FY11 (Projection)	\$206.36	5.83%	\$478.91	5.83%	\$49.95	5.83%
FY12 (Projection)	\$218.39	5.83%	\$506.83	5.83%	\$52.86	5.83%
Increase	\$12.03		\$27.92		\$2.91	
FY11 Eligibles	10,004		92,321		721,205	
Cost per Month	120,348	_	2,577,602	•	2,098,707	
Months in Year	12	_	12		12	
Annual Cost	\$1,444,176	_	\$30,931,224	·	\$25,184,484	\$57,559,884

[	Total	GR	Federal
Pharmacy	54,365,310	19,941,196	34,424,114
State Medical	736,767	736,767	0
Women Health Services	189,948	20,894	169,054
CHIP	2,267,859	582,386	1,685,473
Total	\$57,559,884	\$21,281,243	\$36,278,641

## Governor's Recommendations:

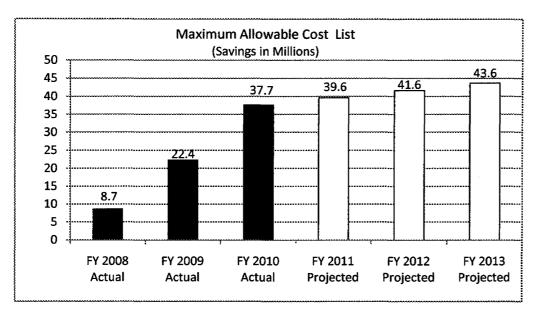
Governor's Recommendations include the updated FMAP percentage that the federal government will use and a fund switch from GR to Pharmacy Reimbursement Allowance.

	Total	GR	Federal	Other
Pharmacy	54,365,310	11,083,815	34,473,043	\$8,808,452
State Medical	736,767	736,767	0	,
Women Health Services	189,948	20,894	169,054	
CHIP	2,267,859	580,799	1,687,060	
Total	\$57,559,884	\$12,422,275	\$36,329,157	\$8,808,452

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.												
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS			
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0			
Total EE	0		0		0		0		0			
Program Distributions Total PSD	21,281,243 <b>21,281,243</b>		36,278,641 <b>36,278,641</b>		0		57,559,884 <b>57,559,884</b>		0			
Transfers Total TRF	0		0		0		0		0			
Grand Total	21,281,243	0.0	36,278,641	0.0	0	0.0	57,559,884	0.0	0			
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS			
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0			
Total EE	0		0		0		0		0			
Program Distributions Total PSD	12,422,275 <b>12,422,275</b>		36,329,157 <b>36,329,157</b>		8,808,452 <b>8,808,452</b>		57,559,884 <b>57,559,884</b>		0			
Transfers Total TRF	0		0		0		0		0			
Grand Total	12,422,275	0.0	36,329,157	0.0	8,808,452	0.0	57,559,884	0.0	0			

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

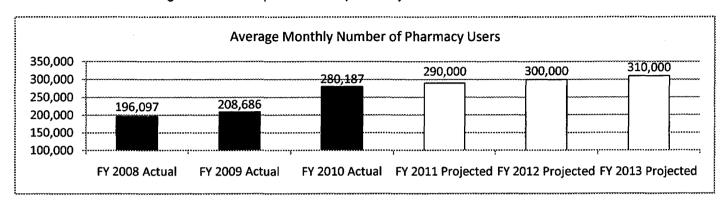
### 6a. Provide an effectiveness measure.

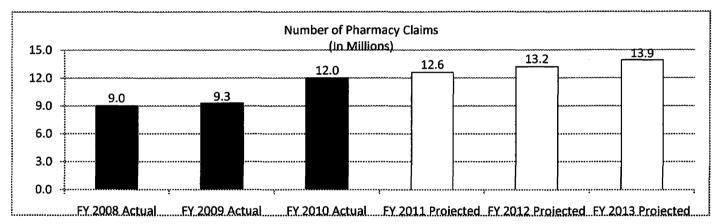


6b. Provide an efficiency measure.

## 6c. Provide the number of clients/individuals served, if applicable.

Pharmacy services are available to all MO HealthNet participants. Prior to FY 2010, managed care plans had the option to carve out pharmacy services. Beginning in SFY 2010, managed care plans are no longer responsible for paying for pharmacy services. Pharmacy services for both fee-for-service and managed care will be paid from the pharmacy section





# 6d. Provide a customer satisfaction measure, if available.

# 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PHARMACY								
Pharmacy PMPM increase - 1886011 PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	54,365,310	0.00	54,365,310	0.00
TOTAL - PD	0	0.00	0	0.00	54,365,310	0.00	54,365,310	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$54,365,310	0.00	\$54,365,310	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$19,941,196	0.00	\$11,083,815	0.00
FEDERAL FUNDS OTHER FUNDS	\$0 \$0	0.00 0.00	\$0 \$0	0.00 0.00	<b>\$34,424,114</b> <b>\$</b> 0	0.00 0.00	\$34,473,043 \$8,808,452	0.00 0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN'S HEALTH SRVC								
Pharmacy PMPM increase - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	189,948	0.00	189,948	0.00
TOTAL - PD	0	0.00	0	0.00	189,948	0.00	189,948	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$189,948	0.00	\$189,948	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$20,894	0.00	\$20,894	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$169,054	0.00	\$169,054	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
Pharmacy PMPM increase - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,267,859	0.00	2,267,859	0.00
TOTAL - PD	0	0.00	0	0.00	2,267,859	0.00	2,267,859	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$2,267,859	0.00	\$2,267,859	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$582,386	0.00	\$580,799	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,685,473	0.00	\$1,687,060	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
STATE MEDICAL								
Pharmacy PMPM increase - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	736,767	0.00	736,767	0.00
TOTAL - PD	0	0.00	0	0.00	736,767	0.00	736,767	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$736,767	0.00	\$736,767	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$736,767	0.00	\$736,767	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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### NEW DECISION ITEM RANK: 999

Department: Social Services
Division: MO HealthNet

Budget Unit: 90541C, 90544C, 90546C, 90547C, 90549C, 90550C, 90551C,

90552C, 90556C, 90561C, 90564C, 90568C

DI#: 1886017

Division: MO HealthNet

		FY 2012 Bud	get Request			FY 2012 Governor's Recommendation					
	GR	Federal	Other	Total		GR	Federal	Other	Total		
PS					PS	-	•				
EE					EE						
PSD					PSD	4,572,583	5,511,812		10,084,395		
TRF					TRF						
Totai		18.2			Total	4,572,583	5,511,812		10,084,395		
FTE					FTE				0.00		
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	(		
Note: Fringe:	s budgeted in Hous	e Bill 5 except	for certain fringe	es budgeted	Note: Fringes	budgeted in Ho	use Bill 5 except	for certain fring	es budgeted		
lirectly to Mo	DOT, Highway Pat	rol, and Conse	rvation.		directly to MoE	DOT, Highway P	atrol, and Consei	vation.			
Other Funds:					Other Funds:						
	UEST CAN BE CA	TEGORIZED /	AS:								
2. THIS REQ					New Program	_	F	und Switch			
2. THIS REQ	_New Legislation		_	Program Expansion		n _	C	Cost to Continue			
2. THIS REQ	New Legislation Federal Mandate				rogium Expunsion			quipment Replacement			
	-		_		Space Request	·· _	E	quipment Repl	acement		

# 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding to address the change in the Federal Medical Assistance Percentage (FMAP). Changes are regular rate from 63.595% blended to 63.41% blended and enhanced rate from 74.515% blended to 74.39% blended.

This funding is requested to compensate for the change in the Federal Medical Assistance Percentage (FMAP). Each year the Centers for Medicare and Medicaid Services (CMS) revises the percentage of Medicaid costs that the federal government will reimburse to each state. Effective October 1, 2010, the regular FMAP rate will increase from 63.29% to 63.45%. The enhanced FMAP rate for the CHIP children and the Women with Breast or Cervical Cancer program will increase from 74.30% to 74.42%. As a result, the MO HealthNet Division seeks to continue program core funding at current levels by compensating for this change in federal funding levels. The increased costs of this decision item have an equal offset in the affected program cores as core reductions. The Federal Authority is Social Security Act 1905(b).

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Since the federal fiscal year (FFY) doesn't begin until the second quarter of the state fiscal year (SFY), a SFY blended rate is applied to the SFY core funding. This blended rate is derived by adding the old FFY rate (63.29%) for three months (July thru September) and the new FFY rate (63.45%) for nine months (October thru June) and dividing by 12 months, resulting in a SFY blended rate of 63.41%. This same procedure is applied to the enhanced federal match for the CHIP program and the women with Breast or Cervical Cancer program. The enhanced old FFY rate of 74.30% for three months (July thru September) and the new FFY rate of 74.42% for nine months (October thru June) results in an enhanced SFY blended rate of 74.39%. In order to continue current core funding, these blended rates are applied to the SFY 10 core funding resulting in a revised mix of funding sources while maintaining the same total. Based on the review of all program cores and the change in FMAP, the below increases are needed to maintain total funding at the correct level.

### Governor's Recommendations:

Governor's Recommendations include the updated FMAP percentage that the federal government will use.

	Total	GR	Federal
Pharmacy	357,170	357,170	0
Physician	1,523,088	0	1,523,088
Dental	40,090	40,090	0
Premium Payments	10,186	0	10,186
Home Health	181,055	181,055	0
PACE	224,016	0	224,016
Nursing Facility	455,149	0	455,149
Rehab & Specialty	488,143	0	488,143
NEMT	675,749	0	675,749
Managed Care	3,105,790	3,105,790	0
Hospital	1,825,602	0	1,825,602
CHIP	309,879	0	309,879
Women's Health	888,478	888,478	0
Total	\$10,084,395	\$4,572,583	\$5,511,812

5. BREAK DOWN THE REQUEST B'	Y BUDGET OBJE	ECT CLASS, JOE	CLASS, AND	FUND SOUR	CE. IDENTIFY	ONE-TIME C	OSTS.		
	Dept Req GR	Dept Req GR	Dept Req FED	Dept Req FED	Dept Req OTHER	Dept Req OTHER	Dept Req TOTAL	Dept Req TOTAL	Dept Req One-Time
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS
					_				
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	(
Total EE	0		0		0		0		(
Program Distributions  Fotal PSD	0 <b>0</b>		0 <b>0</b>		0 <b>0</b>		0 <b>0</b>		(
· · · · · · · · · · · · · · · · · · ·	•				_		_		
ransfers	•		•		•		•		
otal TRF	0		0		0		0		•
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	(
5. BREAK DOWN THE REQUEST BY	Y BUDGET OBJE	CT CLASS. JOE	CLASS, AND	UND SOUR	CE. IDENTIFY	ONE-TIME C	OSTS.		
	Gov Rec		Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec
Budget Object Class/Job Class	GR DOLLARS	Gov Rec	FED DOLLARS	FED FTE	OTHER DOLLARS	OTHER FTE	TOTAL DOLLARS	TOTAL FTE	One-Time DOLLARS
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Total PS	0	0.0	0	0.0	0	0.0	0	0.0	O
otal EE					0		0		(
otal EE	0		0		· ·		•		
rogram Distributions	4,572,583 <b>4,572,583</b>		5,511,812 <b>5,511,812</b>		0		10,084,395 <b>10,084,395</b>		(
Program Distributions  Total PSD  Transfers	4,572,583 <b>4,572,583</b>		5,511,812 <b>5,511,812</b>		0		10,084,395 <b>10,084,395</b>		C
Program Distributions  Total PSD  Transfers  Total TRF	4,572,583		5,511,812				10,084,395		(

# 6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

### 6a. Provide an effectiveness measure.

Year	Regular F	FFP Rates	Enhanced FFP Rates (CHIP Program)			
	FFY	SFY	FFY	SFY		
2007	61.60%	61.68%	73.12%	73.18%		
2008	62.42%	62.22%	73.69%	73.55%		
2009	63.19%	63.00%	74.23%	74.10%		
2010	64.51%	64.18%	75.16%	74.93%		
2011	63.29%	63.595%	74.30%	74.515%		
2012	63.45%	63.41%	74.42%	74.39%		

Since the FMAP adjustments represent a funding source rather than a particular program, measures for the FMAP adjustments are incorporated into the specific MO HealthNet program sections.

- 6b. Provide an efficiency measure.
- 6c. Provide the number of clients/individuals served, if applicable.
- 6d. Provide a customer satisfaction measure, if available.

# 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

- •Maintain flow of federal financial participation in the healthcare arena. (Beyond DSS)
- •The MO HealthNet Division performs detailed projections for all program cores. These projections include adjusting the federal participation level to the percentage in effect for SFY11.

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	357,170	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	357,170	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$357,170	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$357,170	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	1,523,088	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	1,523,088	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$1,523,088	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$1,523,088	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
DENTAL.									
FMAP Adjustment - 1886017									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	40,090	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	40,090	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$40,090	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$40,090	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PREMIUM PAYMENTS	· · · · · · · · · · · · · · · · · · ·							
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	10,186	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	10,186	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$10,186	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$10,186	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NURSING FACILITIES								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	455,149	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	455,149	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$455,149	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$455,149	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOME HEALTH								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	181,055	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	181,055	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$181,055	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$181,055	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
PACE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FMAP Adjustment - 1886017 PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	224,016	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	224,016	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$224,016	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS OTHER FUNDS	\$0 \$0		\$0 \$0	0.00 0.00	\$0 \$0	0.00 0.00	\$224,016 \$0	0.00 0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REHAB AND SPECIALTY SERVICES								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	488,143	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	488,143	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$488,143	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$488,143	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

<b>FY12 Department o</b>	Social Services	Report #10
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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
NON-EMERGENCY TRANSPORT	*							
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	675,749	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	675,749	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$675,749	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$675,749	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MANAGED CARE								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	C	0.00	0	0.00	0	0.00	3,105,790	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	3,105,790	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$3,105,790	0.00

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**GENERAL REVENUE** 

FEDERAL FUNDS

OTHER FUNDS

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC FTE
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FIE
HOSPITAL CARE								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	1,825,602	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	1,825,602	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$1,825,602	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$1,825,602	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN'S HEALTH SRVC								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	888,478	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	888,478	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$888,478	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$888,478	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL FTE	BUDGET DOLLAR	BUDGET	DEPT REQ	DEPT REQ	GOV REC DOLLAR	GOV REC
Budget Object Class	DOLLAR			FTE	DOLLAR	FTE		
CHILDREN'S HEALTH INS PROGRAM								
FMAP Adjustment - 1886017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	309,879	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	309,879	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$309,879	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$309,879	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### NEW DECISION ITEM RANK: 999

**Department: Social Services** 

Budget Unit: 90551C

**Division: MO HealthNet** 

DI Name: Managed Care Actuarial Increase

DI#: 1886018

		FY 2012 Budg	et Request			FY 20	012 Governor's	Recommenda	tion	
Γ	GR	Federal	Other	Total		GR	Federal	Other	Total	
PS					PS					
EE					EE					
PSD					PSD	28,175,334	50,612,228		78,787,56	
TRF					TRF					
Total					Total	28,175,334	50,612,228		78,787,56	
FTE					FTE				0.0	
Est. Fringe	0	0	0	T (	Est. Fringe	0	0	0		
	budgeted in Hoเ OT, Highway Pa			ges budgeted		s budgeted in Ho DOT, Highway P			es budgeted	
Other Funds:					Other Funds:					
2. THIS REQU	EST CAN BE C	ATEGORIZED A	lS:							
1	New Legislation				New Program	_	F	und Switch		
X	Federal Mandate	•			Program Expansion	on _		Cost to Continue	•	
	GR Pick-Up				Space Request	_	E	quipment Repl	acement	
					<del>_</del>	ial Sound Rate				

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is needed to fund an increase for Managed Care medical, delivery and Neonatal Intensive Care Unit services to ensure that managed care payments are actuarially sound. Funding is for the Eastern, Central, and Western regions for July 2011 through June 2012.

MO HealthNet needs to maintain capitation rates at a sufficient level to ensure continued health plan and provider participation. The Federal Authority is Social Security Act Section 1915(b) and 1115 Waiver. The Federal Regulation is 42 CFR 438-Managed Care, and the State Authority is 208.166 RSMo. Federal rules and regulations published June 14, 2002, effective August 13, 2003, require that capitation payments made on behalf of managed care participants be actuarially sound. Further, the state must provide the actuarial certification of the capitation rates to the Centers for Medicare and Medicaid Services (CMS). The CMS Regional Office must review and approve all contracts for managed care as a condition for federal financial participation.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The figures below indicate the projected need for all medical services as well as the normal births of children and Neonatal Intensive Care Unit (NiCU) care for newborns in need of specialized care. Both utilization and unit cost component increases were included as required by the CMS in developing actuarially sound rates. Pharmacy benefits were carved out of Managed Care beginning October 1, 2009 therefore participants receive their pharmacy benefits through the fee-for-service program. The total cost is estimated at \$78,787,562 as follows:

		T				Contract	
D	Basisas	E)/44	F)/40	D:#	D-visio auto	Months in	Total
Program	Region	FY11	FY12	Difference	Participants	FY12	Total
Medical-Managed Care	Eastern	\$190.69	\$203.77	\$13.08	199,470	12	\$31,307,188
Medical-Managed Care	Central	\$190.14	\$204.52	\$14.38	76,578	12	\$13,218,591
Medical-Managed Care	Western	\$202.86	\$218.88	\$16.02	130,315	12	\$25,045,750
					subtotal M	anaged Care	\$69,571,529
Medical TIXXI CHIP-Child	Eastern	\$128.48	\$138.25	\$9.77	23,454	12	\$2,749,333
Medical TIXXI CHIP-Child	Central	\$120.30	\$130.33	\$10.03	11,703	12	\$1,408,195
Medical TIXXI CHIP-Child	Western	\$148.35	\$161.32	\$12.97	16,375	12	\$2,548,162
	•				subtotal TIXXI C	HIP Children	\$6,705,690
					Total Need Me	dical Trend	\$76,277,219
Deliveries-Managed Care	Eastern	\$5,063.31	\$5,191.77	\$128.46	1,044	12	\$1,609,366
Deliveries-Managed Care	Central	\$3,766.21	\$3,878.22	\$112.01	449	12	\$603,512
Deliveries-Managed Care	Western	\$4,247.59	\$4,346.86	\$99.27	957	12	\$1,139,967
			8	subtotal Manag	ged Care and CH	IP Deliveries	\$3,352,845
					Total Need Del	iveries Trend	\$3,352,845
NICU-Managed Care and	Eastern	\$185,175.53	\$197,399.44	\$12,223.91	16	12	\$2,346,991
NICU-Managed Care and	Central	\$133,049.63	\$142,828.76	\$9,779.13	5	12	\$586,748
NICU-Managed Care and	Western	\$121,344.22	\$130,869.35	\$9,525.13	11	12	\$1,257,317
				subtotal Manag	ged Care and CH	IP Deliveries	\$4,191,055
					Total Need N	ICU Trend	\$4,191,055
				Total Need	Medical, Deliveri	es and NICU	\$83,821,119
				A	Administrative Re	view Savings	(\$5,033,557)
					T	otal Request	\$78,787,562

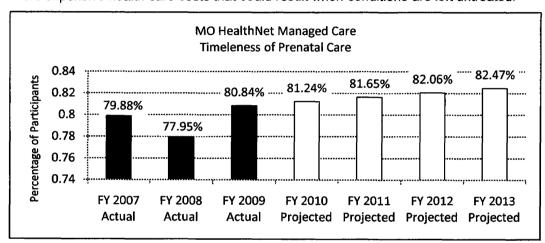
	L lotai	GR	rederal
Managed Care	72,840,071	26,652,182	46,187,889
CHIP	5,947,491	1,523,152	4,424,339
Total Request	\$78,787,562	\$28,175,334	\$50,612,228

5. BREAK DOWN THE REQUEST BY	Y BUDGET OBJE	CT CLASS,	JOB CLASS, AN	D FUND SOU	RCE. IDENTIFY	ONE-TIME C	OSTS.		
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Dadget Object Classiford Class	2012410				DO111 (110	<u> </u>			1 =
Total PS	0	0.0	0	0.0	O	0.0	0	0.0	0
Total EE	0		0		o	)	0		0
Program Distributions Total PSD	0		0		0	ì	0		0
Transfers Total TRF	0		0		0	1	0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0
	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec		Gov Rec	Gov Rec	Gov Rec
	GR GR	GR GR	FED	FED	OTHER	Gov Rec	TOTAL	TOTAL	One-Time
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	OTHER FTE	DOLLARS	FTE	DOLLARS
						J			
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions Total PSD	28,175,334 <b>28,175,334</b>		50,612,228 <b>50,612,228</b>		0		78,787,562 <b>78,787,562</b>		0
Transfers Total TRF	0		0		0		0 <b>0</b>		0
Grand Total	28,175,334	0.0	50,612,228	0.0	0	0.0	78,787,562	0.0	0

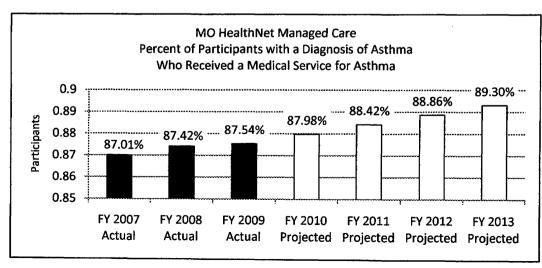
6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

#### Provide an effectiveness measure.

Prenatal care is important for monitoring the progress of pregnancy and to identify risk factors for the mother or baby before they become serious and lead to poor outcomes and more expensive health care costs. The diagnosis and treatment of chronic conditions also reduces more expensive health care costs that could result when conditions are left untreated.



Effectiveness Measure 1: Increase the percentage of women receiving prenatal care. The percentage of women who received prenatal care within the first trimester or within 42 days of enrollment in a health plan was nearly 81% in FY 2009.

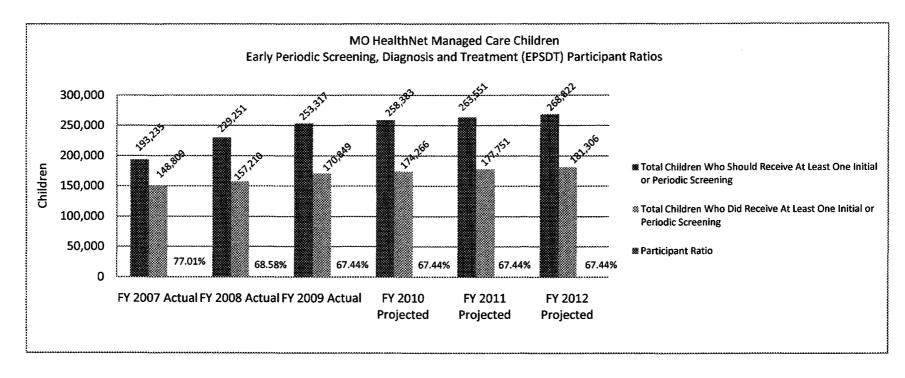


Effectiveness Measure 2: Increase the percentage of participants with chronic conditions who receive treatment for their condition. The percentage of participants with a diagnosis of asthma who received a medical service for asthma was 87.54% in FY 2009.

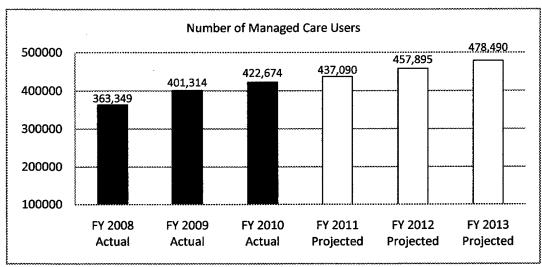
#### 6b. Provide an efficiency measure.

The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening. The chart below does not include CHIP children.

Efficiency Measure: Increase the ratio of children who receive an EPSDT service. In FY 2009, 67% of the children in Managed Care (not including CHIP) received an EPSDT screening.



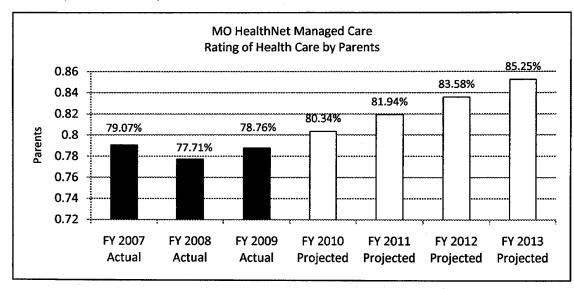
### 6c. Provide the number of clients/individuals served, if applicable.



Users include MO HealthNet (Title XIX) and CHIP (Title XXI) participants.

# 6d. Provide a customer satisfaction measure, if available.

When parents were asked if they were satisfied with the health care their child received through their MO HealthNet Managed Care plan, nearly 79% responded that they were satisfied in 2009.



Customer Satisfaction Measure: Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.

#### 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust to provide outreach and enrollment.
- Purchase cost effective health insurance policies for MO HealthNet participants through the Health Insurance Premium Payment Program.
- Continue to work with community groups, local medical providers, health care associations, schools, etc. regarding access to MO HealthNet coverage.
- Continue to work with MO HealthNet Managed Care health plans to provide outreach and education to communities regarding access to MO HealthNet coverage.

FY12 Department of Social Services Report #10 DECISION ITEM DETAIL										
Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC		
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE		
MANAGED CARE										
Managed Care Actuarial Inc - 1886018										
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	72,840,071	0.00		
TOTAL - PD	0	0.00	0	0.00	0	0.00	72,840,071	0.00		
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$72,840,071	0.00		
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$26,652,182	0.00		
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$46,187,889	0.00		
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00		

FY12 Department of Social Services Report #10
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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE	
CHILDREN'S HEALTH INS PROGRAM	DOLLAR	- FIE	DOLLAR	FIE	DULLAR	FIE	DOLLAR		
Managed Care Actuarial Inc - 1886018									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	5,947,491	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	5,947,491	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$5,947,491	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$1,523,152	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$4,424,339	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MO HEALTHNET ADMIN								
CORE								
PERSONAL SERVICES								
GENERAL REVENUE	3,004,555	75.61	3,383,947	85.03	3,383,947	85.03	2,679,454	64.53
DEPT OF SOC SERV FEDERAL & OTH	5,159,456	130.00	5,620,219	138.99	5,620,219	138.99	4,915,726	118.49
THIRD PARTY LIABILITY COLLECT	353,758	10.18	372,582	12.29	372,582	12.29	372,582	12.29
FEDERAL REIMBURSMENT ALLOWANCE	0	0.00	92,019	2.00	92,019	2.00	92,019	2.00
PHARMACY REIMBURSEMENT ALLOWAN	24,112	0.51	25,101	0.50	25,101	0.50	25,101	0.50
NURSING FAC QUALITY OF CARE	77,316	2.04	80,513	2.45	80,513	2.45	80,513	2.45
HEALTH INITIATIVES	281,258	7.41	303,795	9.35	303,795	9.35	303,795	9.35
MISSOURI RX PLAN FUND	719,986	14.60	730,059	17.00	730,059	17.00	730,059	17.00
AMBULANCE SERVICE REIMB ALLOW	0	0.00	17,211	0.50	17,211	0.50	17,211	0.50
TOTAL - PS	9,620,441	240.35	10,625,446	268.11	10,625,446	268.11	9,216,460	227.11
EXPENSE & EQUIPMENT								
GENERAL REVENUE	1,196,501	0.00	1,156,859	0.00	1,103,263	0.00	794,081	0.00
DEPT OF SOC SERV FEDERAL & OTH	3,604,556	0.00	4,051,145	0.00	4,051,145	0.00	3,367,527	0.00
THIRD PARTY LIABILITY COLLECT	495,189	0.00	495,188	0.00	495,188	0.00	495,188	0.00
FEDERAL REIMBURSMENT ALLOWANCE	0	0.00	8,114	0.00	8,114	0.00	8,114	0.00
PHARMACY REIMBURSEMENT ALLOWAN	375	0.00	375	0.00	375	0.00	375	0.00
NURSING FAC QUALITY OF CARE	10,281	0.00	10,281	0.00	10,281	0.00	10,281	0.00
HEALTH INITIATIVES	30,443	0.00	31,385	0.00	31,385	0.00	31,385	0.00
MISSOURI RX PLAN FUND	47,800	0.00	57,800	0.00	57,800	0.00	57,800	0.00
AMBULANCE SERVICE REIMB ALLOW	0	0.00	3,474	0.00	3,474	0.00	3,474	0.00
TOTAL - EE	5,385,145	0.00	5,814,621	0.00	5,761,025	0.00	4,768,225	0.00
PROGRAM-SPECIFIC			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	1,030	0.00	1.030	0.00	1,030	0.00
TOTAL - PD	0	0.00	1,030	0.00	1,030	0.00	1,030	0.00
TOTAL	15,005,586	240.35	16,441,097	268.11	16,387,501	268.11	13,985,715	227.11
GRAND TOTAL	\$15,005,586	240.35	\$16,441,097	268.11	\$16,387,501	268.11	\$13,985,715	227.11

#### **CORE DECISION ITEM**

**Department: Social Services** 

**Division: MO HealthNet** 

Core: MO HealthNet Administration

**Budget Unit: 90512C** 

1.	CC	RE	FI	INA	NC	JAL	SUI	MMA	<b>RY</b>

		FY 2012 Budge	et Request			FY 2012 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total	
PS	3,383,947	5,620,219	1,621,280 606,617	10,625,446 5,761,025 1,030 <b>16,387,501</b>	PS	794,081	4,915,726	1,621,280	9,216,460	
EE	1,103,263	4,051,145			EE		3,367,527	606,617	4,768,225	
PSD		1,030			PSD		1,030		1,030	
TRF			2,227,897		TRF				•	
Total	4,487,210	9,672,394			Total	3,473,535	8,284,283	2,227,897	13,985,715	
FTE	85.03	138.99	44.09	268.11	FTE	64.53	118.49	44.09	227.11	
Est. Fringe	1,883,167	3,127,652	902,242	5,913,061	Est. Fringe	1,491,116	2,735,602	902,242	5,128,960	

Est. Fringe 1.883.167 3.127.652 902.242 5.913.061 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

Health Initiatives Fund (HIF) (0275)

Nursing Facility Quality of Care Fund (NFQC) (0271) Third Party Liability Collections Fund (TPL) (0120)

MO Rx Plan Fund (0779)

Federal Reimbursement Allowance Fund (FRA) (0142) Ambulance Service Reimbursement Allowance Fund (0958) Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

Health Initiatives Fund (HIF) (0275)

Nursing Facility Quality of Care Fund (NFQC) (0271) Third Party Liability Collections Fund (TPL) (0120)

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted

MO Rx Plan Fund (0779)

directly to MoDOT, Highway Patrol, and Conservation.

Federal Reimbursement Allowance Fund (FRA) (0142) Ambulance Service Reimbursement Allowance Fund (0958)

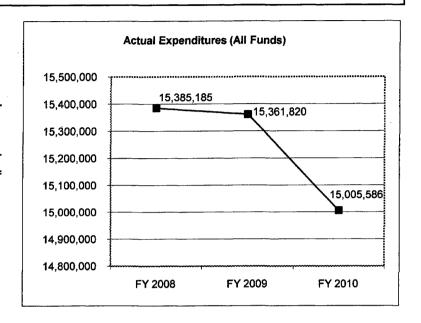
#### 2. CORE DESCRIPTION

This core request is for the continued operation of the MO HealthNet program. The MO HealthNet Division seeks to aid participants and providers in their efforts to access the MO HealthNet program by utilizing administrative staffing, expense and equipment and contractor resources effectively.

# 3. PROGRAM LISTING (list programs included in this core funding)

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	15,933,157	16,457,280	16,385,259	16,441,097
Less Reverted (All Funds)	(131,956)	(406,711)	(517,300)	N/A
Budget Authority (All Funds)	15,801,201	16,050,569	15,867,959	N/A
Actual Expenditures (All Funds)	15,385,185	15,361,820	15,005,586	N/A
Unexpended (All Funds)	416,016	688,749	862,373	N/A
Unexpended, by Fund:				
General Revenue	17,404	3,714	3,405	N/A
Federal	89,195	611,126	802,463	N/A
Other	309,417	73,909	56,505	N/A
	(1) (2)	(3) (4)	(5)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

- (1) Agency reserve of \$65,800: federal funds \$40,000 in PS and \$10,800 in E & E; MO Rx Plan funds \$5,000 in PS and \$10,000 in E & E.
- (2) FY2008 increases: \$415,000 for managed care expansion actuarial study; \$500,000 for expansion of fraud and abuse detection system; \$295,000 pay plan.
- (3) Agency reserve of \$438,387 in E & E: general revenue of \$3,689; federal funds \$420,675; MO Rx Plan funds \$10,000 and \$4,023 in Health Initiatives funds.
- (4) FY2009 increases: \$758,000 for SB 577 (2007) implementation; \$300,000 pay plan. Reduction for actuarial study completed in FY2008.
- (5) Agency reserve of \$792,218: federal funds \$328,789 in PS and \$450,929 in E & E; MO Rx Plan funds \$2,500 in PS and \$10,000 in E & E.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**MO HEALTHNET ADMIN** 

# 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	ES								
			PS	268.11	3,383,947	5,620,219	1,621,280	10,625,446	
			EE	0.00	1,156,859	4,051,145	606,617	5,814,621	
			PD	0.00	0	1,030	0	1,030	
			Total	268.11	4,540,806	9,672,394	2,227,897	16,441,097	-
DEPARTMENT COR	E ADJ	USTME	NTS			·· —			-
Core Reduction	982	6377	EE	0.00	(53,596)	0	0	(53,596)	FY11 expenditure restriction for mileage and professional services
Core Reallocation	799	1753	PS	0.00	0	0	0	0	
Core Reallocation	799	2849	PS	(0.00)	0	0	0	(0)	
Core Reallocation	799	6376	PS	0.00	0	0	0	0	
Core Reallocation	799	6378	PS	0.00	0	0	0	(0)	
Core Reallocation	799	6884	PS	(0.00)	0	0	0	0	
Core Reallocation	799	1670	PS	0.00	0	0	0	(0)	
Core Reallocation	799	1387	PS	0.00	0	0	0	0	
NET DE	PARTI	MENT C	HANGES	0.00	(53,596)	0	0	(53,596)	
DEPARTMENT COR	E REQ	UEST							
			PS	268.11	3,383,947	5,620,219	1,621,280	10,625,446	
			EE	0.00	1,103,263	4,051,145	606;617	5,761,025	
			PD	0.00	0	1,030	0	1,030	
			Total	268.11	4,487,210	9,672,394	2,227,897	16,387,501	

## **CORE RECONCILIATION DETAIL**

# **DEPARTMENT OF SOCIAL SERVICES**

**MO HEALTHNET ADMIN** 

# 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
GOVERNOR'S ADD	NITIONAL COR		· · · · · · · · · · · · · · · · · · ·		· ouoiui			
Core Reduction	1943 6377	EE	0.00	(107)	0	0	(107)	FY12 Core Reductions
Core Reduction	1945 6377	EE	0.00	(48,459)	0	0	` '	FY12 Core Reductions
Core Reallocation	2102 0215	EE	0.00	0	(683,618)	0	• • •	Reallocation to MMAC
Core Reallocation	2102 6377	EE	0.00	(260,616)	0	0	, , ,	Reallocation to MMAC
Core Reallocation	2104 6378	PS	(20.50)	0	(704,493)	0	(704,493)	
Core Reallocation	2104 6376	PS	(20.50)	(704,493)	0	0	(704,493)	
	OVERNOR CH		(41.00)	(1,013,675)	(1,388,111)	0	(2,401,786)	
GOVERNOR'S REC	OMMENDED	CORE						
		PS	227.11	2,679,454	4,915,726	1,621,280	9,216,460	
		EE	0.00	794,081	3,367,527	606,617	4,768,225	
		PD	0.00	0	1,030	0	1,030	
		Total	227.11	3,473,535	8,284,283	2,227,897	13,985,715	•

#### **FLEXIBILITY REQUEST FORM**

BUDGET UNIT NUMBER: DEPARTMENT: Social Services

BUDGET UNIT NAME: MO HealthNet Administration DIVISION: MO HealthNet

1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

#### **DEPARTMENT REQUEST**

Section	PS or E&E	Core	% Flex Requested	Flex Requested Amount
11.400	PS	\$10,625,446	25%	\$2,656,362
	E&E	\$5,762,055	25%	\$1,440,514
Total Request	_	\$16,387,501		\$4,096,876

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

	CURRENT YEAR	BUDGET REQUEST
PRIOR YEAR	ESTIMATED AMOUNT OF	ESTIMATED AMOUNT OF
<b>ACTUAL AMOUNT OF FLEXIBILITY USED</b>	FLEXIBILITY THAT WILL BE USED	FLEXIBILITY THAT WILL BE USED

None

House Bill 11.400 language allows for up to 25% flexibility between personal service and equipment and expense. MO HealthNet does not have an estimate of the amount of flexibility that might be used in FY 11.

25% flexibility is being requested for FY12. MO HealthNet does not have an estimate of the amount of flexibility that might be used if approved.

3. Please explain how flexibility was used in the prior and/or current years.

PRIOR YEAR
EXPLAIN ACTUAL USE

CURRENT YEAR
EXPLAIN PLANNED USE

No flexibility was used.

Flexibility allows MO HealthNet to explore avenues of service delivery that may provide the same or increased services with greater efficiency. Flexibility opens doors to analyzing current operations and seeking effective and cost-efficient means of providing services.

**DECISION ITEM DETAIL** 

Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MO HEALTHNET ADMIN								
CORE								
OFFICE SUPPORT ASST (CLERICAL)	46,860	2.01	64,440	2.50	49,920	2.00	34,866	1.00
SR OFC SUPPORT ASST (CLERICAL)	57,132	2.33	0	0.00	57,142	2.36	32,566	1.36
ADMIN OFFICE SUPPORT ASSISTANT	146,681	5.36	174,371	7.00	149,541	5.02	149,541	5.02
OFFICE SUPPORT ASST (KEYBRD)	86,363	3.94	151,934	6.01	151,934	6.01	129,950	5.01
SR OFC SUPPORT ASST (KEYBRD)	311,946	12.72	416,519	16.87	397,894	16.87	373,318	15.87
ACCOUNT CLERK II	148,251	5.93	152,979	6.00	152,979	6.00	129,183	5.00
AUDITOR II	46,439	1.30	328,996	10.24	326,186	10.12	290,234	9.12
AUDITOR I	154,166	4.70	34,423	1.00	34,423	1.00	34,423	1.00
SENIOR AUDITOR	224,188	5.59	278,355	7.00	278,355	7.00	278,355	7.00
AUDITOR III	0	0.00	67,524	1.00	67,524	1.00	67,524	1.00
ACCOUNTANT I	59,677	1.99	60,100	2.01	60,100	2.01	60,100	2.01
ACCOUNTANT III	154,158	3.63	173,712	4.00	173,712	4.00	173,712	4.00
PERSONNEL OFCR I	32,444	0.80	40,212	1.00	40,212	1.00	40,212	1.00
EXECUTIVE II	34,644	1.01	37,878	1.00	37,878	1.00	37,878	1.00
MANAGEMENT ANALYSIS SPEC II	273,794	6.00	274,014	6.00	265,543	5.86	225,331	4.86
HEALTH PROGRAM REP III	44,220	1.00	44,265	1.00	44,265	1.00	44,265	1.00
PERSONNEL CLERK	0	0.00	28,886	1.00	0	0.00	0	0.00
PHYSICIAN	109,524	1.01	109,524	1.00	109,524	1.00	109,524	1.00
REGISTERED NURSE III	90,204	2.00	90,409	2.00	90,409	2.00	13,325	0.38
REGISTERED NURSE IV	162,896	3.16	208,504	4.00	208,504	4.00	145,308	2.62
REGISTERED NURSE V	61,619	1.00	61,723	1.00	61,723	1.00	61,723	1.00
PHARMACEUTICAL CNSLT	0	0.00	424,067	3.00	394,067	3.00	394,067	3.00
PROGRAM DEVELOPMENT SPEC	371,197	9.00	411,516	10.00	381,299	10.00	381,299	10.00
INVESTIGATOR II	23,532	0.66	41,874	1.00	41,874	1.00	0	0.00
INVESTIGATOR III	0	0.00	45,294	1.00	45,294	1.00	15,264	0.00
MEDICAID PROGRAM RELATIONS REP	124,524	3.00	125,105	3.00	125,105	3.00	125,105	3.00
CORRESPONDENCE & INFO SPEC I	780,222	22.18	878,956	26.58	749,477	23.58	749,477	23.58
MEDICAID PHARMACEUTICAL TECH	205,078	6.46	191,844	6.00	207,535	6.58	207,535	6.58
MEDICAID CLERK	402,962	14.42	406,739	14.57	406,739	14.57	190,655	6.57
MEDICAID TECHNICIAN	863,065	27.35	983,680	31.36	927,938	30.87	867,746	28.87
MEDICAID SPEC	1,466,754	38.79	1,502,468	41.00	1,502,468	41.83	1,086,368	29.83
MEDICAID UNIT SPV	668,978	15.08	669,799	15.00	669,799	15.00	533,311	11.00

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**DECISION ITEM DETAIL** 

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
	DOLLAR	FIE	DOLLAR	FIE	DOLLAR	FIE	DOLLAR	
MO HEALTHNET ADMIN								
CORE							400 750	4.00
FISCAL & ADMINISTRATIVE MGR B1	156,745	3.30	190,758	4.00	190,758	4.00	190,758	4.00
FISCAL & ADMINISTRATIVE MGR B2	183,732	3.01	184,374	3.00	184,374	3.00	184,374	3.00
RESEARCH MANAGER B1	53,292	1.00	53,291	1.00	53,291	1.00	53,291	1.00
SOCIAL SERVICES MGR, BAND 1	109,979	2.00	109,980	2.00	109,980	2.00	65,760	1.00
SOCIAL SERVICES MNGR, BAND 2	495,048	8.80	548,312	9.02	548,312	9.02	489,272	8.02
DIVISION DIRECTOR	167,377	1.01	167,376	1.00	167,376	1.00	167,376	1.00
DEPUTY DIVISION DIRECTOR	253,040	2.05	82,102	1.00	82,102	1.00	82,102	1.00
DESIGNATED PRINCIPAL ASST DIV	129,044	1.58	239,148	3.00	160,620	2.00	82,092	1.00
LEGAL COUNSEL	69,654	0.98	71,562	1.00	71,562	1.00	71,562	1.00
CLERK	10,344	0.51	0	0.00	0	0.00	0	0.00
TYPIST	8,802	0.44	0	0.00	0	0.00	0	0.00
OFFICE WORKER MISCELLANEOUS	11,324	0.37	0	0.00	0	0.00	0	0.00
MISCELLANEOUS TECHNICAL	39,373	1.42	0	0.00	39,911	1.41	39,911	1.41
MISCELLANEOUS PROFESSIONAL	12,961	0.14	0	0.00	0	0.00	0	0.00
SPECIAL ASST PROFESSIONAL	662,221	8.61	420,901	6.95	707,273	9.00	707,273	9.00
SPECIAL ASST OFFICE & CLERICAL	89,424	2.52	77,532	2.00	100,524	3.00	100,524	3.00
REGIONAL OFFICE DIRECTOR	15,313	0.15	0	0.00	0	0.00	0	0.00
OPERATIONS ASSISTANT	1,250	0.04	0	0.00	0	0.00	0	0.00
TOTAL - PS	9,620,441	240.35	10,625,446	268.11	10,625,446	268.11	9,216,460	227.11
TRAVEL, IN-STATE	14,344	0.00	48,719	0.00	48,428	0.00	11,054	0.00
TRAVEL, OUT-OF-STATE	4,594	0.00	8,670	0.00	8,670	0.00	5,317	0.00
SUPPLIES	423,713	0.00	431,258	0.00	446,559	0.00	438,005	0.00
PROFESSIONAL DEVELOPMENT	104,754	0.00	20,936	0.00	104,754	0.00	103,031	0.00
COMMUNICATION SERV & SUPP	99,702	0.00	115,392	0.00	99,702	0.00	99,702	0.00
PROFESSIONAL SERVICES	4,482,299	0.00	4,598,206	0.00	4,787,619	0.00	4,045,395	0.00
M&R SERVICES	233,009	0.00	533,180	0.00	233,009	0.00	38,561	0.00
COMPUTER EQUIPMENT	0	0.00	6,490	0.00	6,490	0.00	6,490	0.00
OFFICE EQUIPMENT	1,976	0.00	3,800	0.00	3,800	0.00	851	0.00
OTHER EQUIPMENT	0	0.00	1,240	0.00	1,240	0.00	1,240	0.00
BUILDING LEASE PAYMENTS	11,000	0.00	1,930	0.00	11,000	0.00	11,000	0.00
EQUIPMENT RENTALS & LEASES	2,844	0.00	121	0.00	2,844	0.00	2,844	0.00

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MO HEALTHNET ADMIN								
CORE								
MISCELLANEOUS EXPENSES	6,910	0.00	44,679	0.00	6,910	0.00	4,735	0.00
TOTAL - EE	5,385,145	0.00	5,814,621	0.00	5,761,025	0.00	4,768,225	0.00
PROGRAM DISTRIBUTIONS	0	0.00	1,030	0.00	1,030	0.00	1,030	0.00
TOTAL - PD	0	0.00	1,030	0.00	1,030	0.00	1,030	0.00
GRAND TOTAL	\$15,005,586	240.35	\$16,441,097	268.11	\$16,387,501	268.11	\$13,985,715	227.11
GENERAL REVENUE	\$4,201,056	75.61	\$4,540,806	85.03	\$4,487,210	85.03	\$3,473,535	64.53
FEDERAL FUNDS	\$8,764,012	130.00	\$9,672,394	138.99	\$9,672,394	138.99	\$8,284,283	118.49
OTHER FUNDS	\$2,040,518	34.74	\$2,227,897	44.09	\$2,227,897	44.09	\$2,227,897	44.09

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: MO HealthNet Administration** 

Program is found in the following core budget(s): MO HealthNet Administration

#### 1. What does this program do?

In order to efficiently operate the \$6.6 billion MO HealthNet program, the MO HealthNet Division effectively utilizes its appropriated staff of 268.11 FTE. Without these staff and expense and equipment resources, the MO HealthNet program would not function. The staff running the MO HealthNet program account for less than .5% of total state employees while the MO HealthNet program comprises 28% of the total FY 2011 state operating budget of \$23.3 billion. The Administrative portion of the budget (Personal Services and Expense and Equipment) comprises less than 0.3% of the division's total budget. As of June 2010, there were a total of 891,191 participants enrolled in MO HealthNet for a ratio of 3,324 clients per FTE. Participants and providers benefit from the assistance of the MO HealthNet Division's staff.

Administrative expenditures for the division consist of Personal Services and Expense and Equipment. These expenditures are driven by the operational demands of the MO HealthNet program. The division operates both a fee-for-service program and a managed care program. As of June 2010, there were 439,245 participants eligible for capitated managed care in the Eastern, Central and Western regions of the state. At the same time, fee-for-service programs with 451,946 MO HealthNet participants are being operated for those not in managed care. Administrative expenditures also include payment to contractors for professional services comprising about 86% of the administrative Expense & Equipment expenditures. Examples of professional services include consulting contracts with health care professionals to conduct utilization claim reviews to determine medical necessity of services. Other examples of contracted services include actuarial services and services of an external quality reviewer as required by federal law.

The remaining 14% of administrative Expense and Equipment expenditures goes for support to MO HealthNet employees for such needs as supplies, postage, and office equipment. MO HealthNet administration is tightly managed with a primary focus of ensuring that expenditures go to the benefit of the program of ensuring participants receive needed services. Included in that goal is protecting against waste, fraud and abuse of program dollars.

<u>Personal Services</u> The Division is structured into four major sections: (1) Finance (2) Operations (3) Clinical Services and (4) Program Integrity. The Finance section incorporates the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology provides a robust reporting function that is a critical part of the management responsibilities of the agency. The Budget, Financial Services, Institutional Reimbursement, Premium Collections, Managed Care Rate Setting and Office Services comprise the Finance section. The Operations section is comprised of the Program Management unit responsible for the daily operations of the MO HealthNet program. The Program Integrity section is comprised of the Program Integrity, Provider Enrollment and Cost Recovery units.

Program development and policy decisions come from the Clinical Services section, allowing for policy decisions and processes to be oriented to the health and continuum of care needed by participants. Information Services, pharmacy enhancement, exceptions, pharmacy rebate, MoRx plan, psychology program and clinical program development encompass Clinical Services. The following provides a brief description of the agency's structure.

# Administration

•Administration – Establishes goals, objectives, policies, and procedures; Overall guidance and direction; Legislative guidance on MO HealthNet issues; Final review of the budget and State Plan Amendments

# **Finance**

- Institutional Reimbursement Unit Calculates Outpatient FQHC/RHC Reimbursement, Nursing Home Policy & Reimbursement, and Hospital Policy & Reimbursement
- Budget Develops and tracks the division's annual budget request, prepares fiscal notes and program
  projections, prepares quarterly estimates and expenditure reports required by CMS, prepares legislative
  bill reviews
- •Financial Services Manages the financial procedures of the MO HealthNet claims processing system, creates internal expenditure reports, prepares adjustments to claims, receives and deposits payments and manages provider account receivables and 1099 information.
- Premium Collections Manages lock box, automatic withdrawais and cash deposits for CHIP and Spenddown pay-in cases.
- Managed Care Rate Setting Develops capitation rates with actuary for Managed Care Program, NEMT and PACE.
- \*Office Services Processes accounts payable for division. Two staff provide audit, and contract support.

# **Operations**

Program Management Section - Monitors MO HealthNet Managed Care, Quality Assessment, MO
HealthNet Fee-for-Service Operations and Development: Provider Relations; Participant Services
responsible for provider education, provider communications, participant services, and premium
collections.

# Clinical Services

- Pharmacy Unit Oversees outpatient prescription drug reimbursement for fee-for-service eligibles, operates a toll-free hotline, provides medical precertifications, and DME precertifications.
- Clinical Unit Policy implementation, program communications, & oversight of contracts with outside vendors for pharmacy program enhancement activities, collects rebates from pharmaceutical manufacturers
- Missouri Rx Plan Coordinates pharmaceutical benefits for the Medicare Part D program.
- Information Services Section Payment Systems and MMIS Overseas and monitors the MHD Fiscal Agent contract and Clinical Management Services & System for Pharmacy and Prior Authorization contracts.

# Program Integrity

 Program Integrity, Provider Enrollment and Cost Recovery - Program Integrity - conducts post-payment reviews of claims for accurate payment in accordance with Federal and state regulation; Cost Recovery and TPL - administers a program to offset MO HealthNet expenditures, when participants have third party coverage. Provider Enrollent enrolls providers.

#### **Expense and Equipment**

The other major category in the Administration Core besides Personal Services is Expense and Equipment (E&E). In the FY 2011 core, it comprises 35% of the total Administration Core of \$16.4 million, or approximately \$5.8 million. Contracts for professional services total \$4.6 million of the division's Expenses and Equipment (E&E).

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

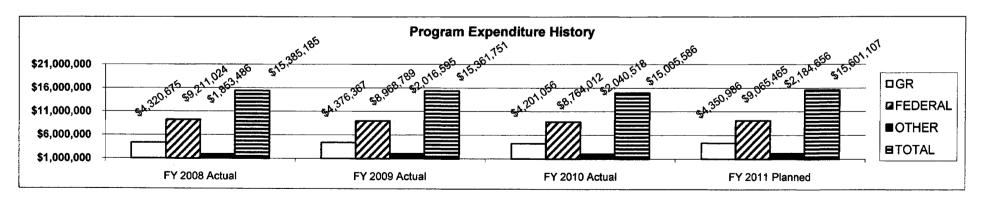
#### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. However, some positions earn 75% federal match such as our medical staff, pharmacy exceptions hotline, etc.

## 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the MO HealthNet State Plan.

# 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. W	/hat are the sources of the "Other " funds?
Fede	eral Reimbursement Allowance Fund (0142), Third Party Liability Collections Fund (0120), Nursing Facility Quality of Care Fund (0271), Health Initiatives Fund 5), Pharmacy Reimbursement Allowance Fund (0144), Missouri Rx Plan Fund (0779) and Ambulance Service Reimbursement Allowance Fund (0958).
7a.	Provide an effectiveness measure.
7b.	Provide an efficiency measure.
7c.	Provide the number of clients/individuals served, if applicable.
7d.	Provide a customer satisfaction measure, if available.

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CLINICAL SRVC MGMT								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	466,353	0.00	485,498	0.00	484,338	0.00	483,913	0.00
DEPT OF SOC SERV FEDERAL & OTH	12,117,368	0.00	12,215,288	0.00	12,215,288	0.00	12,215,288	0.00
FEDRAL BUDGET STAB-MEDICAID RE	2,187,500	0.00	0	0.00	0	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	924,911	0.00	924,911	0.00	924,911	0.00	924,911	0.00
HEALTH CARE TECHNOLOGY FUND	0	0.00	2,187,500	0.00	2,187,500	0.00	0	0.00
MISSOURI RX PLAN FUND	1,166,215	0.00	4,160,894	0.00	4,160,894	0.00	4,160,894	0.00
TOTAL - EE	16,862,347	0.00	19,974,091	0.00	19,972,931	0.00	17,785,006	0.00
TOTAL	16,862,347	0.00	19,974,091	0.00	19,972,931	0.00	17,785,006	0.00
GRAND TOTAL	\$16,862,347	0.00	\$19,974,091	0.00	\$19,972,931	0.00	\$17,785,006	0.00

#### **CORE DECISION ITEM**

Department: Social Services Division: MO HealthNet

ocial Services Budget Unit: 90516C

Core: Clinical Services Program Management

	·	FY 2012 Budge	et Request			FY 2	012 Governor's	Recommendation	on
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS EE PSD TRF	484,338	12,215,288	7,273,305	19,972,931	PS EE PSD TRF	483,913	12,215,288	5,085,805	17,785,006
Total	484,338	12,215,288	7,273,305	19,972,931	Total	483,913	12,215,288	5,085,805	17,785,006
FTE				0.00	FTE				0.00

Other Funds: Third Party Liability Collections (TPL) (0120)

MO Rx Plan Fund (0779)

Health Care Technology Fund (0170)

Other Funds: Third Party Liability Collections (TPL) (0120)

MO Rx Plan Fund (0779)

Health Care Technology Fund (0170)

#### 2. CORE DESCRIPTION

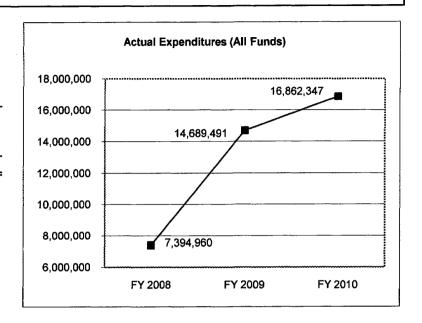
This core request is for the continued operation of the Missouri Medicaid Pharmacy Enhancement Program and the Missouri Rx program. The MO HealthNet Division seeks to aid recipients and providers in their efforts to access the MO HealthNet program by utilizing contractor resources effectively.

# 3. PROGRAM LISTING (list programs included in this core funding)

Missouri Medicaid Pharmacy Enhancement Program Missouri Rx Program

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	10,989,716	17,839,716	20,039,716	19,974,091
Less Reverted (All Funds)	(69,034)	(69,034)	(82,159)	N/A
Budget Authority (All Funds)	10,920,682	17,770,682	19,957,557	N/A
Actual Expenditures (All Funds)	7,394,960	14,689,491	16,862,347	N/A
Unexpended (All Funds)	3,525,722	3,081,191	3,095,210	N/A
Unexpended, by Fund:				
General Revenue	28,187	10,899	2,611	N/A
Federal	283,627	78,897	97,920	N/A
Other	3,213,908	2,991,395	2,994,679	N/A
	(1)	(2) (3)	(4) (5)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

# **NOTES:**

- (1) Agency reserve of \$67,996 in Federal and \$2,700,000 in MO Rx Plan funds.
- (2) Agency reserve of \$78,896 in Federal and \$10,899 in General Revenue.
- (3) FY2009 Increases: Transfer \$3.75 million from Health Care Technology section to support CyberAccess. Additional \$2.5 million for electronic prior authorization of DME.
- (4) FY 2010 Increase: \$2.5 million to integrate hospital pre-certification with CyberAccess.
- (5) Agency reserve of \$2,674,172; \$1,865 GR, \$72,307 in Federal and \$2,600,000 in MO Rx Plan funds.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**CLINICAL SRVC MGMT** 

# 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	EE	0.00	485,498	12,215,288	7,273,305	19,974,091	_
	Total	0.00	485,498	12,215,288	7,273,305	19,974,091	=
DEPARTMENT CORE ADJUST	MENTS						
Core Reduction 981 676	64 EE	0.00	(1,160)	0	0	(1,160)	FY11 expenditure restriction for mileage
NET DEPARTMEN	T CHANGES	0.00	(1,160)	0	0	(1,160)	
DEPARTMENT CORE REQUES	т						
	EE	0.00	484,338	12,215,288	7,273,305	19,972,931	_
	Total	0.00	484,338	12,215,288	7,273,305	19,972,931	- -
GOVERNOR'S ADDITIONAL C	ORE ADJUST	MENTS					
Core Reduction 1941 676	64 EE	0.00	(425)	0	0	(425)	FY12 Core Reductions
Core Reduction 1993 368	5 EE	0.00	0	0	(2,187,500)	(2,187,500)	
NET GOVERNOR	CHANGES	0.00	(425)	0	(2,187,500)	(2,187,925)	
GOVERNOR'S RECOMMENDE	D CORE						
	EE	0.00	483,913	12,215,288	5,085,805	17,785,006	
	Total	0.00	483,913	12,215,288	5,085,805	17,785,006	<del>.</del>

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CLINICAL SRVC MGMT								
CORE								
TRAVEL, IN-STATE	16,746	0.00	26,884	0.00	15,540	0.00	15,115	0.00
TRAVEL, OUT-OF-STATE	3,779	0.00	4,174	0.00	4,100	0.00	4,100	0.00
SUPPLIES	397,147	0.00	288,500	0.00	397,100	0.00	397,100	0.00
PROFESSIONAL DEVELOPMENT	589	0.00	13,700	0.00	1,000	0.00	1,000	0.00
COMMUNICATION SERV & SUPP	70,595	0.00	50,000	0.00	70,600	0.00	70,600	0.00
PROFESSIONAL SERVICES	16,323,676	0.00	19,514,033	0.00	19,430,141	0.00	17,242,641	0.00
M&R SERVICES	23,767	0.00	26,000	0.00	25,000	0.00	25,000	0.00
OFFICE EQUIPMENT	0	0.00	20,000	0.00	0	0.00	0	0.00
OTHER EQUIPMENT	6,595	0.00	7,000	0.00	7,000	0.00	7,000	0.00
PROPERTY & IMPROVEMENTS	215	0.00	0	0.00	250	0.00	250	0.00
BUILDING LEASE PAYMENTS	15,437	0.00	18,000	0.00	15,500	0.00	15,500	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	300	0.00	0	0.00	0	0.00
MISCELLANEOUS EXPENSES	3,801	0.00	5,500	0.00	6,700	0.00	6,700	0.00
TOTAL - EE	16,862,347	0.00	19,974,091	0.00	19,972,931	0.00	17,785,006	0.00
GRAND TOTAL	\$16,862,347	0.00	\$19,974,091	0.00	\$19,972,931	0.00	\$17,785,006	0.00
GENERAL REVENUE	\$466,353	0.00	\$485,498	0.00	\$484,338	0.00	\$483,913	0.00
FEDERAL FUNDS	\$14,304,868	0.00	\$12,215,288	0.00	\$12,215,288	0.00	\$12,215,288	0.00
OTHER FUNDS	\$2,091,126	0.00	\$7,273,305	0.00	\$7,273,305	0.00	\$5,085,805	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: Clinical Services Program Management** 

Program is found in the following core budget(s): Clinical Services Program Management

#### 1. What does this program do?

PROGRAM SYNOPSIS: The funding for Clinical Services Management supports the Pharmacy and Clinical Services' contractor costs.

#### **Pharmacy**

Through the Clinical Services Program, the Division is able to maintain current cost containment initiatives and implement new cost containment initiatives. Major initiatives include:

- Help Desk Staffing
- •Quarterly Updates to the Missouri Maximum Allowable Cost (MACs)
- •Maintenance and Updates to Fiscal and Clinical Edits
- •Prospective and Retrospective Drug Use Review (DUR)
- •Routine/Adhoc Drug Information Research
- •Enrollment and Administration of Case Management
- •Preferred Drug List (PDL) and Supplemental Rebates

These initiatives, along with other cost containment activities, have resulted in an increase in the pharmacy cost that is significantly below the national trend over the past few years.

#### Clinical

The major initiatives in the Clinical Services section include:

- Psychology and Medical Help Desk Staffing
- •Smart PA for DME, including Dental and Optometry
- •Major Medical PA, including Imaging
- •Medical Evidence Oregon Contract

#### Cyber Access

CyberAccess is an Electronic Health Record (EHR) program for MO HealthNet participants which is available to their healthcare providers. The Web-based tool, called CyberAccess, allows physicians to prescribe electronically, view diagnosis data, receive alerts, select appropriate preferred medications, and electronically request drug and medical prior authorizations for their MO HealthNet patients. The continued funding for CyberAccess is critical to continue to support the pharmacy and medical cost containment initiatives and electronic health records. EPSDT forms and patient specific lab results are currently available. Linkages to other health record systems yielding interoperability between systems will soon be available as well. A companion participant web portal tool is being developed.

The section is responsible for program development and clinical policy decision-making for MO HealthNet, with these activities oriented to the health and continuum of care needed by MO HealthNet participants. Policy development, benefit design and coverage decisions are made by the unit using best practices and evidence-based medicine.

In July 2010, the MO HealthNet Division, in conjunction with Affiliated Computer Services (ACS) and MedSolutions (MSI), implemented a new quality-based Radiology Benefit Management Program (RBM). The RBM is an expansion of the existing pre-certification process currently being used for MRIs and CTs of the brain, head, chest and spine. The RBM works to determine clinical appropriateness of the usage of high-tech, cardiac imaging and ultrasound technology, and provides guidelines for application and use based on expert information and evidence-based data. Pre-certification requests are handled using robust clinical guidelines. These guidelines will be used to ensure the appropriate scope, complexity and clinical need of the tests that will be performed.

The MO HealthNet Division (MHD) and Department of Health and Senior Services (DHSS), Division of Senior and Disability Services (DSDS) are in the process of creating a single integrated web-based instrument for entering, tracking and approving Home and Community Based Services (HCBS) requests and follow-up data. The new electronic tool (a component of CyberAccess) will allow more consistent service authorization and delivery to clients with varying needs. The tool will be based on a real-time interface with paid Medicaid claims data to allow automated and transparent processing of requests for services. All HCBS clients will be assessed for services using the same tool, employing a rules-based engine to establish the client's level of care based on the need. The current points-based system will be translated into algorithms whereby responses to requested information will automatically calculate a point score and generate a service plan.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

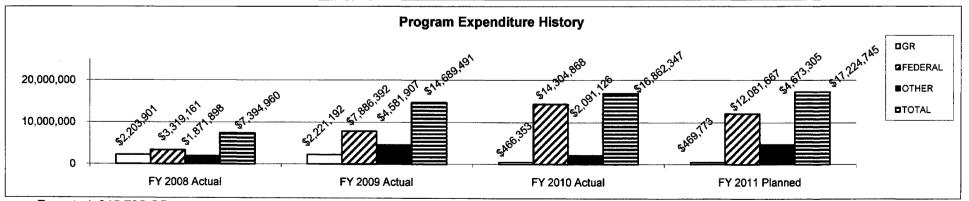
#### 3. Are there federal matching requirements? If yes, please explain.

MO HealthNet administrative expenditures earn a 50% federal match. The Clinical Management Services for Pharmacy and Prior Authorization is matched at 75%.

## 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

# 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



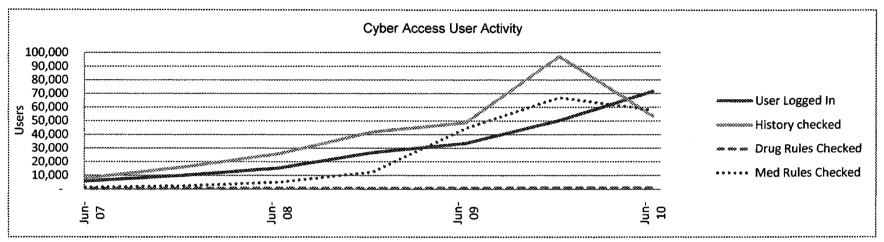
Reverted: \$15,725 GR

Reserve: \$2,733,621 Federal and Other Funds

## 6. What are the sources of the "Other " funds?

Third Party Liability Collections Fund (0120), Health Care Technology (0170) and Missouri Rx Plan Fund (0779).

#### 7a. Provide an effectiveness measure.



User activity is projected to grow consistent with historical trends.

## 7b. Provide an efficiency measure.

# 7c. Provide the number of clients/individuals served, if applicable.

Number of Pharmacy Claims						
SFY	Actual	Projected				
2008	10.8 mil	11.4 mil				
2009	11.6 mil	13.4 mil				
2010	12.0 mil	12.0 mil				
2011		12.6 mil				
2012		13.2 mil				
2013		13.9 mil				

Note: Source of Actual data has changed to provide more accurate information.

# 7d. Provide a customer satisfaction measure, if available.

# FY12 Department of Social Services Report #9

# **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HEALTHCARE TECHNOLOGY								· · · · · · · · · · · · · · · · · · ·
CORE								
EXPENSE & EQUIPMENT								
DEPT OF SOC SERV FEDERAL & OTH		0 0	.00 2,500,000	0.00	2,500,000	0.00	0	0.00
HEALTH CARE TECHNOLOGY FUND		0 0	.00 2,208,788	0.00	2,208,788	0.00	0	0.00
TOTAL - EE		0 0	.00 4,708,788	0.00	4,708,788	0.00	0	0.00
TOTAL		0 0	.00 4,708,788	0.00	4,708,788	0.00	0	0.00
GRAND TOTAL		\$0 0	.00 \$4,708,788	0.00	\$4,708,788	0.00	\$0	0.00

#### **CORE DECISION ITEM**

Department: Social Services Division: MO HealthNet

**Core: Health Care Technology** 

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Budget Unit: 90518C

		FY 2012 Budge	et Request			FY	2012 Governor's	Recommendat	ion
	GR	Federal	Other	Total		GR	Federal	Other	Total
S E SD RF		2,500,000	2,208,788	4,708,788	PS EE PSD TRF				
otal		2,500,000	2,208,788	4,708,788	Total				
TE				0.00	FTE				0.
st. Fringe	0	0	0	0	Est. Fringe		0	ol	

Other Funds:

### 2. CORE DESCRIPTION

Other Funds: Healthcare Technology Fund (0170)

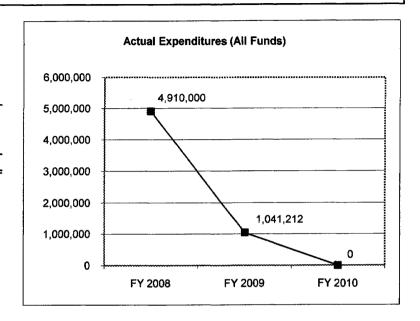
This core request is for the continued funding of health care technology to be used to improve health care delivery efficiency.

## 3. PROGRAM LISTING (list programs included in this core funding)

Healthcare Technology

### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	8,250,000	8,250,000	5,500,000	4,708,788
Less Reverted (All Funds)	(58,582)	0	0	N/A
Budget Authority (All Funds)	8,191,418	8,250,000	5,500,000	N/A
Actual Expenditures (All Funds)	4,910,000	1,041,212	0	N/A
Unexpended (All Funds)	3,281,418	7,208,788	5,500,000	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	290,000	2,500,000	2,500,000	N/A
Other	2,991,418	4,708,788	3,000,000	N/A
		(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### **NOTES:**

- (1) Agency reserve of \$2,005,000 in Federal and \$4,505,000 in the Healthcare Technology fund. Supplemental appropriation of \$250,000.
- (2) Agency reserve of \$2,500,000 in Federal and \$3,000,000 in the Healthcare Technology fund.

### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**HEALTHCARE TECHNOLOGY** 

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR		Federal	Other	Total	١
TAFP AFTER VET	OES								
		EE	0.00		0	2,500,000	2,208,788	4,708,788	
		Total	0.00		0	2,500,000	2,208,788	4,708,788	
DEPARTMENT CO	ORE REQUEST								
		EE	0.00		0	2,500,000	2,208,788	4,708,788	
		Total	0.00		0	2,500,000	2,208,788	4,708,788	
GOVERNOR'S AD	DITIONAL COR	RE ADJUST	MENTS						
Core Reduction	1992 2911	EE	0.00		0	(2,500,000)	0	(2,500,000)	
Core Reduction	1992 2910	EE	0.00		0	0	(2,208,788)	(2,208,788)	
NET	GOVERNOR CH	ANGES	0.00		0	(2,500,000)	(2,208,788)	(4,708,788)	
GOVERNOR'S RE	COMMENDED	CORE							
		EE	0.00		0	0	0	0	
		Total	0.00		0	0	0	0	

FY12 Department of Social Services Report #10

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
HEALTHCARE TECHNOLOGY								
CORE								
PROFESSIONAL SERVICES	C	0.00	4,708,788	0.00	4,708,788	0.00	0	0.00
TOTAL - EE	C	0.00	4,708,788	0.00	4,708,788	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$4,708,788	0.00	\$4,708,788	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$2,500,000	0.00	\$2,500,000	0.00		0.00
OTHER FUNDS	\$0	0.00	\$2,208,788	0.00	\$2,208,788	0.00		0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: HealthCare Technology** 

Program is found in the following core budget(s): HealthCare Technology

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program uses technology to improve the delivery of care, reduce administrative burdens and reduce waste fraud and abuse.

Funding is used to implement the provisions of SB577 (2007), such as expansion and increased use of technology in healthcare including electronic health records, community health records, personal health records and e-prescribing. Electronic health records (EHRs) are an important tool in healthcare that assist in providing safe, effective healthcare to patients. Funding also supports initiatives to achieve electronic health record interoperability, consistent with Executive Order 07-12; continued development of a statewide electronic health record; and integration of assessment and authorization processes for home and community based services with other MO HealthNet programs.

The MO HealthNet Division has implemented a web-based tool to allow electronic, web-based access to the provider's patient claim information, incorporating paid MO HealthNet medical and pharmacy claim data into a patient profile. Providers are able to review patient utilization of services, including medications and services from other providers, diagnoses and procedures, all in a comprehensive listing in chronological order. In addition, CyberAccess includes a feature that allows providers to select a medication for their patient and immediately determine whether it will be reimbursed by MO HealthNet without limitations such as prior authorization or clinical edit. If such a limitation is in place, the provider may request an override via the electronic tool itself, and eliminate the need for a phone call or fax request. The same rules-engine technology allows providers to submit requests for pre-certification for imaging procedures and prior authorization requests for durable medical equipment.

The Division continues to add value to the CyberAccess tool for providers by integrating lab data into the tool, as well as incorporating other clinical data traits for individual patients. Future enhancements include the integration of Healthy Children and Youth screening forms and the integration of assessment and authorization processes for Home and Community Based Services. This core section will help fund these initiatives.

In addition to the provider focused tools, the Division is working on the development of a participant-focused tool that will allow individuals to access their own health information and receive individually-tailored educational and health and wellness materials via a secure web-based portal.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

TAFP CCS No. 2 for SCS for HCS for HB 11, Section 11.405

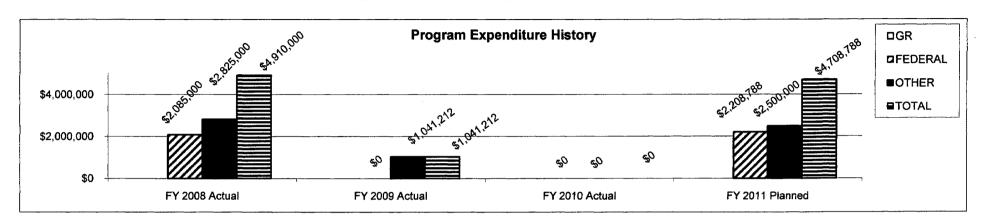
### 3. Are there federal matching requirements? If yes, please explain.

Expenditures for Health Care Technology that are associated with MO HealthNet projects earn 50% FFP and require 50% state share. Some MO HealthNet projects are eligible for enhanced federal matching of 75% and some projects can even qualify for 90% enhanced federal matching funds. Non-MO HealthNet related projects do not earn federal match.

## 4. Is this a federally mandated program? If yes, please explain.

No.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

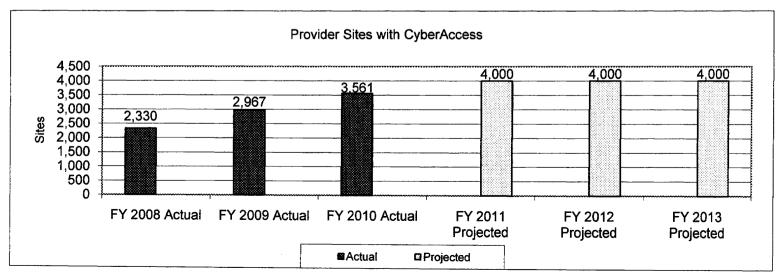


Reserve: FY 11 - \$2,500,000 Federal and \$2,208,788 Other funds.

#### 6. What are the sources of the "Other" funds?

Health Care Technology Fund (0170)

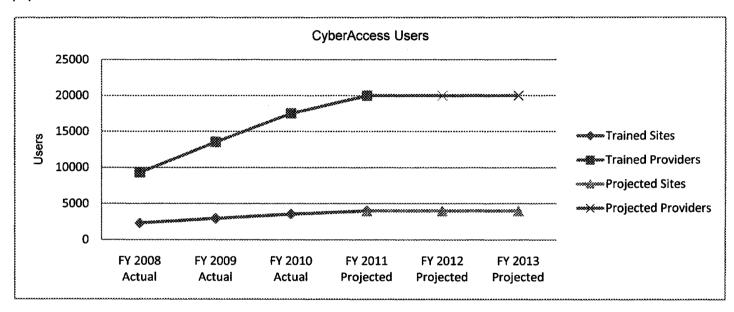
#### 7a. Provide an effectiveness measure.



## 7b. Provide an efficiency measure.

## 7c. Provide the number of clients/individuals served, if applicable.

Providers using CyberAccess serve approximately 82% of MO HealthNet clients. In addition, the tool is utilized for processing pharmacy claims for the managed care population.



7d. Provide a customer satisfaction measure, if available.

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# **FY12 Department of Social Services Report #9**

# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN & MINORITY OUTREACH								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	529,741	0.00	546,125	0.00	546,125	0.00	546,125	0.00
DEPT OF SOC SERV FEDERAL & OTH	568,619	0.00	568,625	0.00	568,625	0.00	568,625	0.00
TOTAL - EE	1,098,360	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00
TOTAL	1,098,360	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00
GRAND TOTAL	\$1,098,360	0.00	\$1,114,750	0.00	\$1,114,750	0.00	\$1,114,750	0.00

### **CORE DECISION ITEM**

**Department: Social Services** 

**Division: MO HealthNet** 

Core: Women & Minority Health Care Outreach

Budget Unit: 90513C

		FY 2012 Budg	et Request			FY 2	012 Governor's	Recommendation	on
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS EE PSD	546,125	568,625		1,114,750	PS EE PSD	546,125	568,625		1,114,750
TRF Total	546,125	568,625		1,114,750	TRF Total	546,125	568,625		1,114,750
FTE				0.00	FTE				0.0
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	C
•	oudgeted in House nway Patrol, and (	e Bill 5 except for Conservation.	certain fringes bu	udgeted directly	1	•	se Bill 5 except fo trol, and Conserv	•	budgeted
Other Funds:					Other Funds:				

#### 2. CORE DESCRIPTION

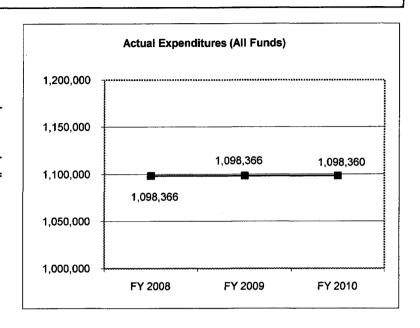
This core request is for the continued funding of the Women and Minority Health Care Outreach programs. These programs provide client outreach and education about the MO HealthNet program and reduce disparities in healthcare access for women and minority populations.

## 3. PROGRAM LISTING (list programs included in this core funding)

Women and Minority Health Care Outreach Program

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	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds) Less Reverted (All Funds)	1,114,750 (16,384)	1,114,750 (16,384)	1,114,750 (16,384)	1,114,750 N/A
Budget Authority (All Funds)	1,098,366	1,098,366	1,098,366	N/A
Actual Expenditures (All Funds) Unexpended (All Funds)	1,098,366	1,098,366 0	1,098,360 6	N/A N/A
Unexpended, by Fund: General Revenue Federal Other	0 0 0	0 0 0	0 6 0	N/A N/A N/A



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**WOMEN & MINORITY OUTREACH** 

### 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	
TAFP AFTER VETOES							
	EE	0.00	546,125	568,625	0	1,114,750	)
	Total	0.00	546,125	568,625	0	1,114,750	,
DEPARTMENT CORE REQUEST						<del></del>	•
	EE	0.00	546,125	568,625	0	1,114,750	ì
	Total	0.00	546,125	568,625	0	1,114,750	<u> </u>
GOVERNOR'S RECOMMENDED	CORE						•
	EE	0.00	546,125	568,625	0	1,114,750	ļ
	Total	0.00	546,125	568,625	0	1,114,750	į

FY12 Department of Social Service	es Report #1	0					ECISION ITE	M DETAIL	
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
WOMEN & MINORITY OUTREACH						. *			
CORE									
PROFESSIONAL SERVICES	1,098,360	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00	
TOTAL - EE	1,098,360	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00	
GRAND TOTAL	\$1,098,360	0.00	\$1,114,750	0.00	\$1,114,750	0.00	\$1,114,750	0.00	
GENERAL REVENUE	\$529,741	0.00	\$546,125	0.00	\$546,125	0.00	\$546,125	0.00	
FEDERAL FUNDS	\$568,619	0.00	\$568,625	0.00	\$568,625	0.00	\$568,625	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: Women and Minority Health Care Outreach** 

Program is found in the following core budget(s): Women and Minority Health Care Outreach

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides client outreach and education about the MO HealthNet program with a goal to reduce disparities in health care access for women and minority populations.

The health of Missouri's citizens is critical to the well-being of the state. Without proper health care, Missouri citizens will be less productive and more costly to the state. The purpose of the MO HealthNet program is to finance, monitor and assure the health coverage of traditionally vulnerable populations. The funding in this appropriation provides outreach services in St. Louis, Columbia, Jefferson City, Springfield, the Bootheel, and the Kansas City Region targeted at African-American men and women at risk of diabetes, cardiovascular disease, HIV/AIDS, sexually transmitted diseases (STDs), and other life-threatening health conditions. The outreach programs also provide client outreach and education about the MO HealthNet program.

The Department of Social Services has contracted with the Missouri Primary Care Association to act as a fiscal intermediary for the distribution of the Minority and Women's Health Outreach funding, assuring accurate and timely payments to the subcontractors and to act as a central data collection point for evaluation of program impact and outcomes. The Missouri Primary Care Association is recognized as Missouri's single primary care association by the federal Health Resource Service Administration. The goals of the nation's Primary Care Associations are to partner in the development, maintenance and improvement of access to health care services, and to reduce disparities in health status between majority and minority populations.

This program was initiated in the fall of 1999 with five Federally-Qualified Health Centers (FQHCs) and has now expanded to twelve FQHCs in the St Louis, Kansas City, mid-Missouri, Southwest, and Bootheel regions. The outreach program builds on the strengths of the eleven FQHCs that are trusted, accessible sources of care for high-risk African-American populations, and the existence of natural leaders, often women, in African-American neighborhoods to provide outreach and education in their neighborhoods to encourage routine screenings for diabetes and cardiovascular disease and testing for HIV/AIDS and STDs. In the Bootheel area, the outreach program builds on the strengths of a FQHC and county hospital, using the Care-A-Van to reach at-risk persons in the largely rural area. Existing health promotion coalitions in the area, including the Bootheel's Heart Health Coalitions and the Missouri Health Alliance will also be used in outreach efforts. As part of the outreach program, workers identify eligible participants and help them enroll in the MO HealthNet program.

The current contractor is Missouri Primary Care Association. The contractor is paid for allowable costs related to establishing and implementing outreach programs not to exceed the appropriation cap.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.201; Federal law: Social Security Act Section 1903(a); Federal Regulations: 42 CFR, Part 433.15

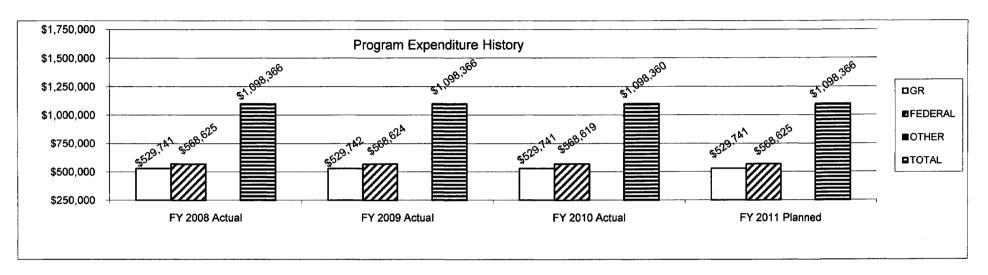
## 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY11 Reverted: \$16,384

## 6. What are the sources of the "Other" funds?

N/A

#### 7a. Provide an effectiveness measure.

### 7b. Provide an efficiency measure.

FQHCs and RHCs in underserved areas provide greater access to health care services for women and minorities as well as serve as outreach centers to assist individuals in applying for MO HealthNet services.

Nui	Number of Users of						
FQHCs and	d RHCs for Primary Care						
SFY	Actual	Projected					
2008	88,256						
2009	93,142						
2010	109,887						
2011		116,264					
2012		123,011					
2013		130,150					

Number	of Users Rece	iving				
Assistance from FQHCs and RHCs						
in Applyi	in Applying for MO HealthNet					
SFY	Actual	Projected				
2008	4,370					
2009	6,160					
2010	8,872					
2011		11,191				
2012		14,117				
2013		17,808				

## 7c. Provide the number of clients/individuals served, if applicable.

	natal Care Users Who vered During the Year				
SFY	Actual	Projected			
2008	3,579				
2009	3,465				
2010	4,191				
2011		4,463			
2012		4,754			
2013		5,063			

Numbe	Number of Normal Births					
SFY	Actual	Projected				
2008	3,062					
2009	3,186					
2010	3,842					
2011	ļ	4,124				
2012		4,426				
2013		4,750				

Services are directed toward low-income women and minorities who are uninsured or eligible for MO HealthNet.

## 7d. Provide a customer satisfaction measure, if available.

# **DECISION ITEM SUMMARY**

EXPENSE & EQUIPMENT DEPT OF SOC SERV FEDERAL & OTH	1,486,890	0.00	1,500,000	0.00	1,500,000	0.00	1,500,000	0.00
THIRD PARTY LIABILITY COLLECT	1,486,890	0.00	1,500,000	0.00	1,500,000	0.00	1,500,000	0.00
TOTAL - EE	2,973,780	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
TOTAL	2,973,780	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
GRAND TOTAL	\$2,973,780	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00

#### **CORE DECISION ITEM**

**Department: Social Services** 

**Budget Unit: 90515C** 

**Division: MO HealthNet** 

Core: Third Party Liability (TPL) Contracts

		FY 2012 Budge	et Request				FY	2012 Governor's	Recommendatio	n
	GR	Federal	Other	Total		J	GR	Federal	Other	Total
PS EE PSD		1,500,000	1,500,000	3,000,000	E	PS EE PSD		1,500,000	1,500,000	3,000,000
TRF Total		1,500,000	1,500,000	3,000,000	E	TRF Total		1,500,000	1,500,000	3,000,000
FTE				0.00		FTE				0.00
Est. Fringe	0	0	0	0		Est. Fringe	0	0	0	0
•	udgeted in House way Patrol, and (	•	certain fringes bud	lgeted directly			•	ouse Bill 5 except for Patrol, and Conserva		udgeted
Other Funds: Ti	nird Party Liability	Collections Fund	(TPL) (0120)			Other Funds:	Third Party Liab	ility Collections Fun	d (TPL) (0120)	

Note:

An "E" is requested for \$1,500,000 Other Funds and \$1,500,000

Federal Funds.

Note:

An "E" is requested for \$1,500,000 Other Funds and \$1,500,000

Federal Funds.

#### 2. CORE DESCRIPTION

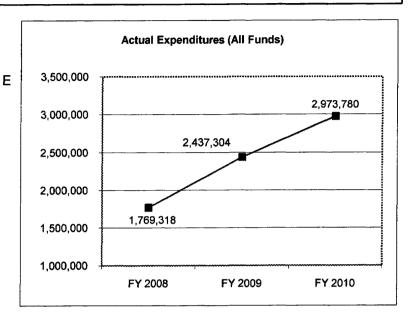
This core request is for the continued funding of contracted third party liability (TPL) recovery activities. TPL functions are performed by agency staff in the TPL Unit and by a contractor. This core appropriation is Expense and Equipment funding and is the source of payments to the contractor who works with the agency on TPL recovery activities.

## 3. PROGRAM LISTING (list programs included in this core funding)

Third Party Liability Contracts

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	6,000,000	6,000,000	3,000,000	3,000,000 E
Less Reverted (All Funds) Budget Authority (All Funds)	6,000,000	6,000,000	3,000,000	N/A N/A
Budget Additionty (All Funds)	0,000,000	0,000,000	0,000,000	1477
Actual Expenditures (All Funds)	1,769,318	2,437,304	2,973,780	N/A
Unexpended (All Funds)	4,230,682	3,562,696	26,220	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	2,115,341	1,781,348	13,110	N/A
Other	2,115,341	1,781,348	13,110	N/A
	(1)	(2)	(3) (4)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for federal and Third Party Liability Collections (TPL) fund appropriations.

- (1) Agency reserves of \$4,000,000 in E & E: \$2,000,000 in federal and \$2,000,000 in TPL fund.
- (2) Agency reserves of \$2,900,000 in E & E: \$1,450,000 in federal and \$1,450,000 in TPL fund.
- (3) FY2010 core reduction of \$3.0 million for empty authority.
- (4) Agency reserves of \$13,105 in federal and \$13,105 in TPL fund appropriations.

## **CORE RECONCILIATION DETAIL**

### **DEPARTMENT OF SOCIAL SERVICES**

**TPL CONTRACTS** 

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Other	Total
TAFP AFTER VETOES							
	EE	0.00		0	1,500,000	1,500,000	3,000,000
	Total	0.00		0	1,500,000	1,500,000	3,000,000
DEPARTMENT CORE REQUEST							
	EE	0.00		0	1,500,000	1,500,000	3,000,000
	Total	0.00		0	1,500,000	1,500,000	3,000,000
GOVERNOR'S RECOMMENDED	CORE						
	EE	0.00		0	1,500,000	1,500,000	3,000,000
	Total	0.00		0	1,500,000	1,500,000	3,000,000

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Budget Unit	FY 2010	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012	FY 2012 GOV REC DOLLAR	FY 2012
Decision Item	ACTUAL					DEPT REQ		GOV REC
Budget Object Class	DOLLAR_	FTE	DOLLAR	FTE	DOLLAR	FTE		FTE
TPL CONTRACTS								
CORE								
PROFESSIONAL SERVICES	2,973,780	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
TOTAL - EE	2,973,780	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
GRAND TOTAL	\$2,973,780	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$1,486,890	0.00	\$1,500,000	0.00	\$1,500,000	0.00	\$1,500,000	0.00
OTHER FUNDS	\$1,486,890	0.00	\$1,500,000	0.00	\$1,500,000	0.00	\$1,500,000	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payments for contracted TPL recovery activities. By identifying other insurance carriers, MO HealthNet is able to cost avoid or recover costs already incurred.

The Third Party Liability (TPL) program is responsible for cost recovery and cost avoidance of MO HealthNet expenditures. The MO HealthNet program seeks recovery from third-party sources when liability at the time of service had not yet been determined, when the third-party source was not known at the time of MO HealthNet payment, and for services that are federally mandated to be paid and then pursued. TPL functions are performed by agency staff in the TPL Unit and by a contractor. The TPL Contracts appropriation allows for payment to the contractor who works with the agency on TPL recovery and cost avoidance activities. The contractor is paid for its recovery services through a 10% contingency contract rate for cash recoveries and on a per member per month (PMPM) rate of \$.15 for the cost avoidance services. The TPL program accounted for more than \$228.2 million in savings for the MO HealthNet program in FY 10 by cost avoiding claims and recovering MO HealthNet funds. Health Plans in the MO HealthNet Managed Care program are responsible for the TPL activities related to plan enrollees.

Historically, the contractor is successful in areas of recovery that the state is unable to pursue due to staff and computer system limitations, for instance, in Health Insurance Recovery. When the retroactive cash recovery benefit is exhausted, these recovery areas are converted to cost avoidance mechanisms and transferred to the state MMIS claims processing system. The contractor has the advantage of automation to increase TPL recoveries. Information stored in the data base includes participant eligibility, insurance carrier, billing addresses, insurance coverage, and other reference information necessary for automated billing. The TPL Unit and the contractor share responsibility for maintaining and updating the data, as well as conducting manual operations that continue to be a part of the recovery program.

Even though some responsibilities are shared, the TPL Unit and the contractor each perform specific cost saving and recovery activities. The TPL Unit concentrates on asserting liens on settlements of trauma-related incidents (which include personal injury, product liability, wrongful death, malpractice, workers' compensation, and traffic accidents). The TPL Unit also files claims for recovery of MO HealthNet expenditures in estate cases, TEFRA cases, on the personal funds accounts of deceased nursing home residents, and on any excess funds from irrevocable burial plans. For cost avoidance, the TPL Unit operates the Health Insurance Premium Payment (HIPP) Program and maintains the TPL data base where participant insurance information is stored. The contractor focuses on bulk billings to insurance carriers and other third parties and data matches to identify potential third parties. The following list itemizes the activities performed by the contractor as compared to those performed by the TPL Unit staff, and is followed by descriptions of the primary TPL programs.

#### TASKS PERFORMED BY THE CONTRACTOR

- → Health insurance billing and follow-up;
- ✓ Data matches and associated billing (Tricare, MCHCP, and other insurance carriers such as BCBS, United Healthcare and Aetna);
- → Provide TPL information for state files;
- → Post Accounts Receivable data to state A/R system, and

The current contractor is Health Management Systems. The contractor is paid for services on a contingency basis for recovery activities and a PMPM basis for cost avoidance activities through a portion of cash recoveries.

#### TASKS PERFORMED BY STATE TPL STAFF

- ✓ Liens, updates and follow-up on Trauma cases;
- ✓ Identify and follow-up on all Estate cases;
- ✓ Identify, file and follow-up on TEFRA liens:
- ✓ Identify and follow-up on Personal Funds cases:
- → Recover any excess funds from irrevocable burial plans;
- ✓ Operate HIPP program;
- → Post recoveries to Accounts Receivable systems;
- ✓ Maintain state TPL databases;
- ✓ Verify leads through MMIS contract; and
- ✓ Contract oversight.

HIPP Program - The objective of the Health Insurance Premium Payment Program (HIPP) is to identify and pay for employer-sponsored insurance policies for MO HealthNet participants to maximize MO HealthNet monies by shifting medical costs to private insurers and exhausting all third party resources before utilizing MO HealthNet. Each insurance policy paid by the HIPP program saves an average of \$360 annually.

<u>Trauma Settlement Recovery</u> - The objective is to identify potentially liable third parties and to assert liens on litigation settlements to ensure maximum recovery of MO HealthNet expenditures. Each identification is researched to determine if pursuit is cost effective or even possible.

<u>Personal Funds Recovery</u> - The objective of this program is to identify Personal Funds Account Balances of deceased MO HealthNet participants who lived in nursing facilities and recover MO HealthNet expenditures made on behalf of those participants. Nursing facilities are required to pay MO HealthNet within sixty (60) days from the date of death (Section 198.090(7), RSMo).

<u>Burial Plans Recovery</u> - The objective of this program is to recover MO HealthNet expenditures from any excess funds from irrevocable burial plans. Burial lots and irrevocable burial contracts are exempt from consideration in determining MO HealthNet eligibility (Section 208.010, RSMo). The law also provides that if there are excess funds from irrevocable burial plans, the state should recover the excess up to the amount of public assistance benefits provided to the participant.

Estate Recovery - In this program, expenditures are recovered through identification and filing of claims on estates of deceased MO HealthNet participants. Data matches are coordinated with the Department of Health and Senior Services' Vital Statistics, Family Support Division's county offices' staff and cooperation of other public and private groups. When cases are established, staff verify expenditure documentation and assemble data for evidence. The TPL staff appear in court to testify on behalf of the state and explain MO HealthNet policies and procedures.

<u>TEFRA Liens</u> - The Tax Equity and Fiscal Responsibility Act of 1982 authorizes the MO HealthNet program to file a lien as a claim against the real property of certain MO HealthNet participants. The TEFRA lien is for the debt due the state for medical assistance paid or to be paid on behalf of a MO HealthNet participant. TEFRA was implemented with the filing of 13 CSR 70-4.110 which was effective November 30, 2005. Since the implementation, the amount of recoveries attributable to TEFRA is approximately \$5.5 million.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: RSMo. 198.090, 208.010, 208.153, 208.215, 473.398, 473.399 Federal law: Social Security Act, Section 1902, 1903, 1906, 1912, 1917; Federal regulation: 42 CFR 433 Subpart D

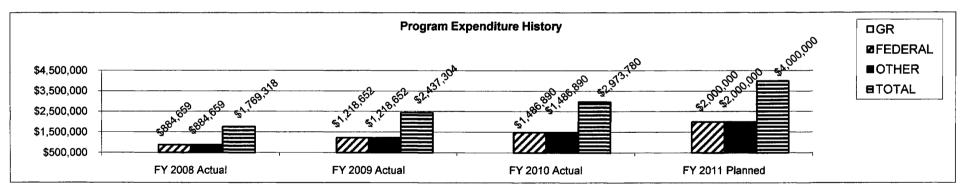
#### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

#### 4. Is this a federally mandated program? If yes, please explain.

Yes, if cost effective. In order to not pursue a TPL claim, the agency must obtain a waiver from CMS by proving that a cost recovery effort is not cost effective.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



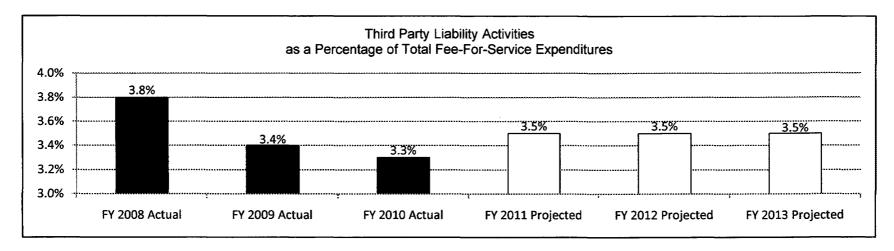
Reserve: \$400,000 Federal and Other Funds

#### 6. What are the sources of the "Other " funds?

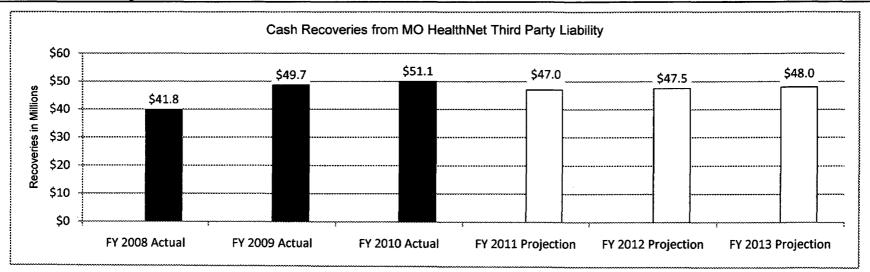
Third Party Liability Collections Fund (0120)

#### 7a. Provide an effectiveness measure.

Effectiveness Measure: Third Party Liability (TPL) activities within the MO HealthNet Program ensure that liable third-party resources are being utilized as a primary source of payment in lieu of General Revenue. In state fiscal year 2010, TPL activities, including cost avoidance and cash recovery activities, saved 3.3% of total fee-for-service expenditures.



### 7b. Provide an efficiency measure.



Cash Recoveries by Contractor						
SFY	Actual	Projected				
2008	\$15.5 mil	\$16.5 mil				
2009	\$26.4 mil	\$16.5 mil				
2010	\$28.0 mil	\$21.0 mil				
2011		\$24.0 mil				
2012		\$24.0 mil				
2013		\$24.0 mil				

Cash Recoveries by MHD Staff							
SFY	Actual	Projected					
2008	\$26.3 mil	\$32.0 mil					
2009	\$23.3 mil	\$25.3 mil					
2010	\$23.1 mil	\$25.5 mil					
2011		\$23.0 mil					
2012		\$23.5 mil					
2013		\$24.0 mil					

MHD is enhancing efforts to obtain timely health insurance carrier information on a proactive basis for MO HealthNet participants to ensure that third party resources are utilized as a primary source of payment in lieu of taxpayer dollars. MHD contracts with a vendor to perform health insurance recoveries and cost avoidance activities. As MHD shifts it's focus to cost avoidance, the trend for health insurance cash recoveries will even out or eventually reflect a decrease.

Actual cash recoveries for all other areas of third party recoveries have shown a decrease over the last few years due to several developments. Medicare providers are performing on-line adjustments rather than submitting reimbursement by check. Cash recoveries for the Estate Program have decreased due to the expanded definition of "estate" not being in statute; a court decision regarding spousal recovery; and the elimination of recovery of Medicare Part B premiums on or after the date of January 1, 2010. Trauma and casualty tort recoveries have decreased as a result of the Ahlborn class action decision.

7c. Provide the number of clients/individuals served, if applicable.

7d. Provide a customer satisfaction measure, if available.

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
INFORMATION SYSTEMS					_		-	
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	5,398,551	0.00	5,565,516	0.00	5,344,936	0.00	4,838,940	0.00
DEPT OF SOC SERV FEDERAL & OTH	32,262,897	0.00	44,296,284	0.00	33,662,638	0.00	32,880,170	0.00
HEALTH CARE TECHNOLOGY FUND	1,180,400	0.00	3,835,822	0.00	2,655,422	0.00	0	0.00
TOTAL - EE	38,841,848	0.00	53,697,622	0.00	41,662,996	0.00	37,719,110	0.00
TOTAL	38,841,848	0.00	53,697,622	0.00	41,662,996	0.00	37,719,110	0.00
Health Technology Incentives - 1886021								
PROGRAM-SPECIFIC								
FEDERAL STIMULUS-DSS	0	0.00	0	0.00	0	0.00	60,000,000	0.00
TOTAL - PD	0	0.00		0.00	0	0.00	60,000,000	0.00
TOTAL	0	0.00	0	0.00	0	0.00	60,000,000	0.00
GRAND TOTAL	\$38,841,848	0.00	\$53,697,622	0.00	\$41,662,996	0.00	\$97,719,110	0.00

#### **CORE DECISION ITEM**

Department: Social Services Division: MO HealthNet

**Budget Unit: 90522C** 

Core: Information Systems

1. CORE FINA	NCIAL SUMMAR	FY 2012 Budg	ot Poqueet			EV 2	012 Governor's	Pecommendat	ion
Г	GR	Federal	Other	Total	Γ	GR	Federal	Other	Total
PS EE PSD	5,344,936	33,662,638	2,655,422	41,662,996	PS EE PSD	4,838,940	32,880,170		37,719,110
TRF Total	5,344,936	33,662,638	2,655,422	41,662,996	TRF _ Total _	4,838,940	32,880,170		37,719,110
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
	budgeted in House	•	certain fringes bu	dgeted directly	, -	•	se Bill 5 except for	_	s budgeted
Ito MoDOT, Hig	hway Patrol, and (	Conservation.			directly to MoD	OT, Highway Pat	trol, and Conserva	ation.	

Other Funds: Healthcare Technology Fund (0170)

Other Funds:

### 2. CORE DESCRIPTION

This core request is for the continued funding of Information Systems (IS), which is a component of the Division's total administrative costs. Information Systems is comprised of two program areas, MMIS (Medicaid Management Information System) and the Medicaid Fraud and Abuse Detection system (FADS).

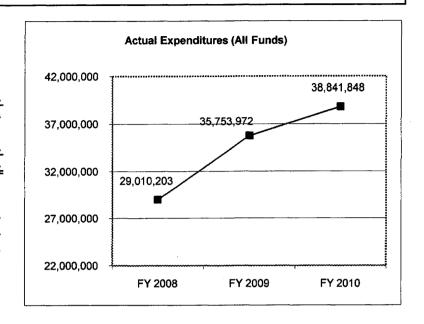
A portion of this funding is a one-time cost to re-engineer the MMIS.

## 3. PROGRAM LISTING (list programs included in this core funding)

Information Systems

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	66,148,456	66,148,456	64,162,098	53,697,622
Less Reverted (All Funds)	(170,923)	(622,227)	(166,965)	N/A
Budget Authority (All Funds)	65,977,533	65,526,229	63,995,133	N/A
Actual Expenditures (All Funds)	29,010,203	35,753,972	38,841,848	N/A
Unexpended (All Funds)	36,967,330	29,772,257	25,153,285	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	31,670,597	25,936,435	21,036,952	N/A
Other	5,296,733	3,835,822	4,116,333	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

- (1) Lapsed authority is for one-time MMIS reengineering costs spread over several fiscal years. The FY2010 core includes a reduction for actual FY2008 one-time MMIS reengineering expenditures.
- (2) Lapsed authority is for one-time MMIS reengineering costs spread over several fiscal years. Agency reserve of \$3,269,402 federal funds. The FY2011 core includes a reduction for actual FY2009 one-time MMIS reengineering expenditures.
- (3) Lapsed authority is for one-time MMIS reengineering costs spread over several fiscal years. Agency reserve of \$9,003,565 federal funds and \$1,460,910 in Health Care Technology Funds.

The FY2012 core includes a reduction for actual FY2010 one-time MMIS reengineering expenditures of \$11,814,046.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**INFORMATION SYSTEMS** 

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	ES			***************************************				
		EE	0.00	5,565,516	44,296,284	3,835,822	53,697,622	
		Total	0.00	5,565,516	44,296,284	3,835,822	53,697,622	
DEPARTMENT COI	RE ADJUST	MENTS						
x Expenditures	937 419	2 EE	0.00	0	(10,633,646)	0	(10,633,646)	Core cut one-time expenditures for MMIS FY09 reengineering.
Ix Expenditures	937 368	7 EE	0.00	0	0	(1,180,400)	(1,180,400)	Core cut one-time expenditures for MMIS FY09 reengineering.
Core Reduction	980 143	B EE	0.00	(220,580)	0	0	(220,580)	FY11 expenditure restriction for professional services
NET DI	EPARTMEN'	CHANGES	0.00	(220,580)	(10,633,646)	(1,180,400)	(12,034,626)	
DEPARTMENT COI	RE REQUES	Т						
		EE	0.00	5,344,936	33,662,638	2,655,422	41,662,996	
		Total	0.00	5,344,936	33,662,638	2,655,422	41,662,996	
SOVERNOR'S ADD	ITIONAL CO	RE ADJUST	MENTS				<del>.</del>	
Core Reduction	1946 143	B EE	0.00	(200,528)	0	0	(200,528)	FY12 Core Reductions
Core Reduction	1994 368	7 EE	0.00	0	0	(2,655,422)	(2,655,422)	
Core Reallocation	2103 143	B EE	0.00	(305,468)	0	0	(305,468)	
Core Reallocation	2103 143	e EE	0.00	0	(782,468)	0	(782,468)	
NET G	OVERNOR O	HANGES	0.00	(505,996)	(782,468)	(2,655,422)	(3,943,886)	
GOVERNOR'S REC	OMMENDE	CORE						
		EE	0.00	4,838,940	32,880,170	0	37,719,110	
		Total	0.00	4,838,940	32,880,170	0	37,719,110	•

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
INFORMATION SYSTEMS								
CORE								
COMMUNICATION SERV & SUPP	0	0.00	898	0.00	898	0.00	898	0.00
PROFESSIONAL SERVICES	38,286,534	0.00	52,446,724	0.00	40,412,098	0.00	36,802,112	0.00
M&R SERVICES	555,314	0.00	1,250,000	0.00	1,250,000	0.00	916,100	0.00
TOTAL - EE	38,841,848	0.00	53,697,622	0.00	41,662,996	0.00	37,719,110	0.00
GRAND TOTAL	\$38,841,848	0.00	\$53,697,622	0.00	\$41,662,996	0.00	\$37,719,110	0.00
GENERAL REVENUE	\$5,398,551	0.00	\$5,565,516	0.00	\$5,344,936	0.00	\$4,838,940	0.00
FEDERAL FUNDS	\$32,262,897	0.00	\$44,296,284	0.00	\$33,662,638	0.00	\$32,880,170	0.00
OTHER FUNDS	\$1,180,400	0.00	\$3,835,822	0.00	\$2,655,422	0.00	\$0	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: Information Systems** 

Program is found in the following core budget(s): Information Systems

#### 1. What does this program do?

PROGRAM SYNOPSIS: Information Systems processes fee-for-service claims and managed care encounter data through a contractor for the Medicaid Management Information Systems (MMIS) and provides for operation of the Medicaid Fraud and Abuse Detection System. MO HealthNet Managed Care enrollment broker services are included in the MMIS contract.

The Information Systems (IS) program area includes the MMIS contract, the Medicaid Fraud and Abuse Detection System (FADS) contract, and the contract for the enrollment services for the MO HealthNet Managed Care Program. The primary function of Information Systems is to provide the tools and data needed to support administrative and financial decisions and to process fee-for-service claims and MO HealthNet Managed Care encounter data. IS focuses on the gathering, maintenance, analysis, and output of information and data related to claims and a multitude of claims-related interfaces. It is additionally responsible for providing the software and hardware support needed to measure, analyze, assess and manipulate this information in the process of decision making and formulating and testing new systems.

The State contracts with a private entity to operate the subsystems of the Medicaid Management Information System. The subsystems include Claims Processing, Management and Analysis Reporting, Surveillance and Utilization, Reference, Provider, Participant, Third Party Liability and Financial. In order to maintain quality management of MO HealthNet claims, the MO HealthNet Division requires the fiscal agent to:

- Maintain and enhance a highly automated MO HealthNet claims processing and information retrieval system.
- Process MO HealthNet claims involving over 41,000 providers of 68 different types, such as hospitals, physicians, dentists, ambulance service providers, nursing homes, therapists, hospices, and managed care health plans.
- Perform manual tasks associated with processing MO HealthNet claims, and to retrieve and produce utilization and management information that is required by the Division and/or various agencies within the federal government. For example, semi-annual utilization reports are generated for the Program Integrity unit to allow staff to detect and investigate over-utilization patterns and abuse. Third Party Liability (TPL) reports are produced that allow tracking of cost avoidance on claims and provide the capability to perform cost recovery functions.
- Provide capabilities and/or communications with the Department and the Division via on-line data links to facilitate transfers of data and monitoring of contract issues using menu driven reports and communications via electronic mail.
- Provide technical support to Managed Care health plans in the maintenance of data lines and the transfer of daily enrollment files and encounter data.

The MMIS is run on a mainframe computer system. There are approximately 35 programmers employed by the fiscal agent to maintain this system. The Interactive Voice Response (IVR) has the availability of approximately 70 incoming lines. The IVR hardware and software allows immediate access to eligibility, payment and claim status information.

The Imaging System allows document storage and retrieval along with a report repository. The fiscal agent supports a web application (www.emomed.com) that supports various provider functions such as claims data entry, send and receive files, electronic remittance advice along with real-time inquiries of claims, attachments, prior authorizations, eligibility and payment status.

The state began contracting with MMIS in 1979. The latest MMIS contract began in FY2008 and was awarded to Infocrossing, Inc. It consists of one year for takeover and transition, six years contracted for operations, and is renewable for three one-year extensions. This new MMIS contract includes seventeen (17) major enhancements scheduled to be implemented over the first few years of the contract period. The highlights of this re-engineering include a new relational database, a rules engine, and browser-based functionality.

Claims Processing - Claims processing changes with the two programs, the fee-for-service program versus MO HealthNet Managed Care. Under the fee-for-service program, claims are processed for payment to the provider. Services under MO HealthNet Managed Care which are covered by the capitation payment do not generate a claim. Whomever provides the service is reimbursed by a health plan. The service still results in involvement by IS through the processing of encounter claims. An encounter claim is the same as a regular claim in terms of the information processed such as patient identification, diagnosis and the service(s) provided; it is just not subject to payment. The federal government requires that encounter claims be submitted to the state agency. Encounter claims are transmitted by health plans to the fiscal agent where they are processed and the data is stored.

Managed Care Impact: MO HealthNet managed care increases the demand on Information Systems because of the need to interface with numerous different data processing systems. The MMIS system "talks" to the systems run by each of the six individual health plans that contract with the state for Managed Care. Success of the Managed Care program is data-driven. The agency needs encounter data from the health plans in order to set rates and see what services are being provided to agency clients, otherwise on-site audits of thousands of providers would be required. Resolving encounter data and other system problems with individual health plans is staff intensive.

Average claims processing time continues to decrease due to increased electronic claims processing and system improvements from 3.03 days in FY95 to .62 days in FY10.

<u>Fraud and Abuse Detection System</u> - The implementation of a Medicaid Fraud and Abuse Detection System (FADS) occurred in October 2004. The system is designed to maximize the return on investment in fraud and abuse programs. This system assists staff in monitoring utilization and program compliance by providers and participants within the MO HealthNet program on a post-payment basis to enforce Federal and State Medicaid policy and program restrictions.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.166 and 208.201; Federal law: Social Security Act Section 1902(a)(4), 1903(a)(3) and 1915(b); Federal Regulation 42 CFR 433(C) and 438; Children's Health Insurance Program State Plan Amendment.

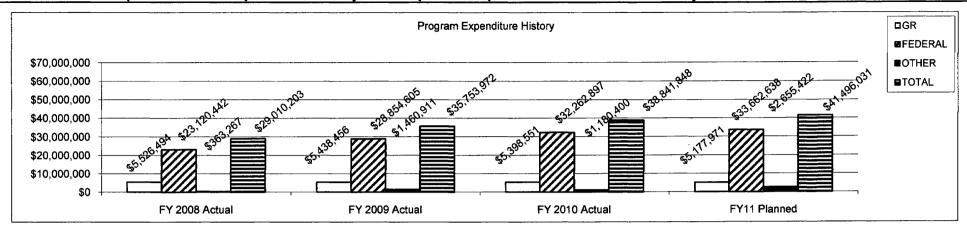
## 3. Are there federal matching requirements? If yes, please explain.

Expenditures for MMIS operations have three different federal financial participation (FFP) rates. The majority of MMIS expenditures earn 75% FFP and require 25% state share. Functions earning 75% include MMIS base operations, call center operations, and enrollment broker services. Approved system ehancements earn 90% FFP and require 10% state share. Postage and Medicaid administrative expenditures earn 50% FFP and requires 50% state share.

## 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902(a)(4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY2009 expenditures include one-time MMIS reengineering costs. Some costs will carry into subsequent fiscal years.

Reverted: \$387,545 GR

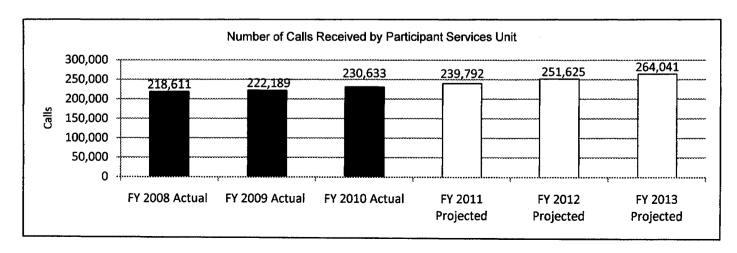
Reserve: \$11,814,046 Federal and Other Funds

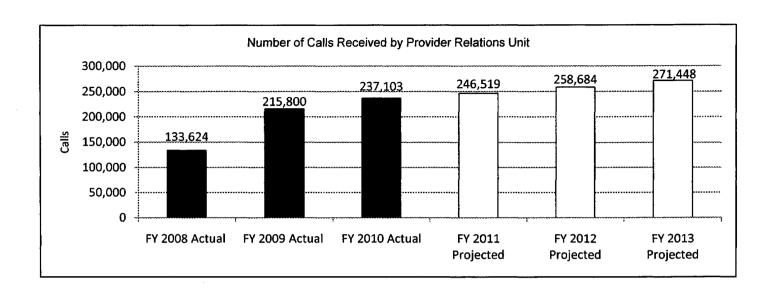
#### 6. What are the sources of the "Other" funds?

Healthcare Technology Fund (0170)

### 7a. Provide an effectiveness measure.

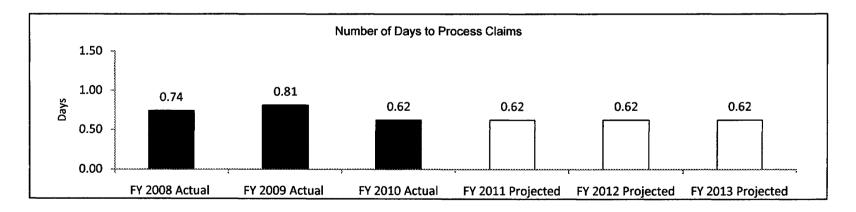
Effectiveness Measure: Provide support for participants and providers. For each of the past three state fiscal years, the Participant Services Unit received and responded to over 218,000 calls from participants. The Provider Relations Unit received and responded to over 230,000 calls in SFY 2010.



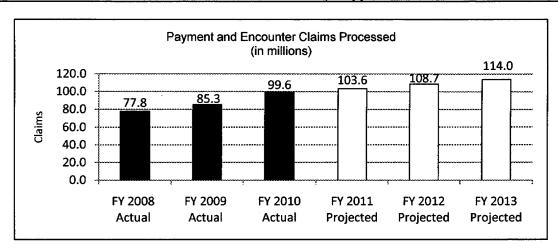


## 7b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day. For the past three fiscal years, claims passing system edits have been processed in less than one day. Processed claims are paid twice a month. In SFY 2010, over 99.6 million claims were processed.



## 7c. Provide the number of clients/individuals served, if applicable.



## 7d. Provide a customer satisfaction measure, if available.

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#### NEW DECISION ITEM RANK: 999

Department: Social Services Budget Unit: 90522C

**Division: MO HealthNet** 

DI Name: Health Care Technology Incentives DI#: 1886021

		FY 2012 Bud	get Request			FY	2012 Governor's	Recommend	ation
ſ	GR	Federal	Other	Total	7 [	GR	Federal	Other	Total
PS <sup>'</sup>			•		_ PS _				
EE					EE				
PSD					PSD		60,000,000		60,000,000
TRF					TRF				
Total					Total		60,000,000		60,000,000
FTE					FTE				0.0
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	(
		use Bill 5 except		es buagetea			louse Bill 5 excep		ges buagetea
directly to MOL	OT, Highway P	atrol, and Conse	rvation.		airectly to MOL	OI, Higilway	Patrol, and Conse	ervation.	
Other Funds:					Other Funds:				
	EST CAN BE C	ATEGORIZED	AS:						
2. THIS REQU	LOI ONIT DE C				New Program			Fund Switch	
	New Legislation								
			-		Program Expansion	า		Cost to Continu	e
	New Legislation		-			า		Cost to Continu Equipment Rep	

# 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI Synopsis: Funding is needed for Health Information Technology projects to plan, design and implement the infrastructure to support a statewide Health Information Exchange (HIE). Authorized by American Recovery and Reinvestment Act (ARRA) of 2009, Division A, Title XIII, HITECH Act, Section 3013.

The American Recovery and Reinvestment Act (ARRA) of 2009 authorized incentive payments to certain eligible Medicaid providers and hospitals for the adoption and meaningful use of electronic health records (EHRs). ARRA Section 4201 provides 100 percent federal financial participation (FFP) for incentive payments and 90 percent FFP for State administrative activities, including those for both planning and implementation of the Medicaid EHR Incentive Program.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The Missouri Department of Social Services (DSS), MO HealthNet Division (MHD) is the single state agency that administers the Missouri Medicaid program. MO HealthNet has developed a plan for administering the EHR incentives.

Incentive payments through Medicare and/or Medicaid can be made to support certain hospitals and eligible professionals (EP) in adopting "certified EHR technology". The professionals must choose Medicare or Medicaid incentives. Examples of an eligible professional are doctors of medicine or osteopathy, nurse practitioners, certified nurse-midwifes, dentists, physician assistants who work at a PA-led FQHC or RHC. Most eligible professionals must have 30% Medicaid patient volume to qualify. Medicaid eligible professionals may receive up to \$63,750 over six years (2011 through 2021). For the first payment year, Medicaid EPs can receive up to \$21,250 for the initial adoption, implementation or upgrade of certified EHR technology. In subsequent years, Medicaid EPs can receive up to \$8,500 annually for costs related to operation, maintenance and demonstration of meaningful use of EHR technology.

Hospitals can qualify for both Medicare and Medicaid incentives. Hospital incentives vary; they are based on a calculation that takes into account inpatient volume and other criteria. Medicaid incentives are for acute care hospitals, children's hospitals, stand alone cancer hospitals and critical access hospitals. Except for children's hospitals, the Medicaid incentive requires 10% Medicaid patient volume to qualify.

MO HealthNet plans to make enrollment available early in 2011. In order to launch the program, MO HealthNet must receive approval from the Centers for Medicare and Medicaid Services (CMS). Mo HealthNet submitted its State Medicaid HIT implementation plan for CMS approval on November 30, 2010.

The level of funding needed for this project could exceed \$400 million over the life of the project which may last until 2020. During FY2012, MHD estimates that no more than \$60,000,000 will be paid to qualifying providers.

HealthCare Technology Incentive

Total	GR	Federal
\$60,000,000	\$0	\$60,000,000

5. BREAK DOWN THE REQUEST BY	Y BUDGET OBJE	ECT CLASS.	IOB CLASS, AN	D FUND SOU	RCE. IDENTIFY	ONE-TIME	COSTS.		
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
								<u> </u>	[
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0	0.0	0	0.0	0	0.0	0	0.0	0
Program Distributions Total PSD	0	0.0	0	0.0	0	0.0	0	0.0	0
Transfers Total TRF	0	0.0	0	0.0	0	0.0	. 0	0.0	0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Budget Object Class/Job Class  Total PS	GR	GR	FED	FED	OTHER	OTHER FTE	TOTAL	TOTAL FTE	One-Time DOLLARS
	GR DOLLARS	GR FTE	FED DOLLARS	FED FTE	OTHER DOLLARS	OTHER FTE 0.0	TOTAL DOLLARS	TOTAL FTE 0.0	One-Time DOLLARS
Total PS	GR DOLLARS 0	GR FTE 0.0	FED DOLLARS 0	FED FTE 0.0	OTHER DOLLARS	<b>OTHER FTE 0.0</b> 0.0	TOTAL DOLLARS	TOTAL FTE 0.0	One-Time DOLLARS 0
Total PS  Total EE  Program Distributions	GR DOLLARS 0	GR FTE 0.0	FED DOLLARS  0  60,000,000	FED FTE 0.0 0.0	OTHER DOLLARS  0	<b>OTHER FTE 0.0</b> 0.0	TOTAL DOLLARS  0  0  60,000,000	<b>TOTAL FTE 0.0</b> 0.0	One-Time DOLLARS
Total PS  Total EE  Program Distributions Total PSD  Transfers	GR DOLLARS 0	GR FTE 0.0 0.0	FED DOLLARS  0  60,000,000 60,000,000 0 60,000,000	FED FTE  0.0  0.0  0.0	OTHER DOLLARS  0	0.0 0.0 0.0	TOTAL DOLLARS  0  60,000,000 60,000,000	0.0 0.0	One-Time DOLLARS 0

PERFO	RMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without addition
6a.	Provide an effectiveness measure.
6b.	Provide an efficiency measure.
6c.	Provide the number of clients/individuals served, if applicable.
6d.	Provide a customer satisfaction measure, if available.
TRATI	EGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

DEC	ICI	IAC	ITEM	DET	LVI
	IJ,	JIV		UEI	HHL

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
INFORMATION SYSTEMS								
Health Technology Incentives - 1886021								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	60,000,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	60,000,000	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$60,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$60,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	17,650,488	0.00	12,000,000	0.00	207,578	0.00	207,578	0.00
TITLE XIX-FEDERAL AND OTHER	17,338,335	0.00	15,300,000	0.00	207,578	0.00	207,578	0.00
TOTAL - EE	34,988,823	0.00	27,300,000	0.00	415,156	0.00	415,156	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	95,996,561	0.00	97,973,887	0.00	101,973,887	0.00	99,357,008	0.00
TITLE XIX-FEDERAL AND OTHER	480,025,392	0.00	543,633,562	0.00	550,933,562	0.00	550,576,392	0.00
PHARMACY REBATES	98,830,097	0.00	104,155,927	0.00	104,155,927	0.00	104,155,927	0.00
THIRD PARTY LIABILITY COLLECT	5,252,468	0.00	5,252,468	0.00	5,252,468	0.00	5,252,468	0.00
PHARMACY REIMBURSEMENT ALLOWAN	36,500,000	0.00	55,553,508	0.00	55,553,508	0.00	55,553,508	0.00
HEALTH INITIATIVES	940,214	0.00	969,293	0.00	969,293	0.00	969,293	0.00
HEALTHY FAMILIES TRUST	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00
LIFE SCIENCES RESEARCH TRUST	28,725,000	0.00	35,556,250	0.00	35,556,250	0.00	35,556,250	0.00
PREMIUM	3,800,000	0.00	3,800,000	0.00	3,800,000	0.00	3,800,000	0.00
TOTAL - PD	751,110,766	0.00	847,935,929	0.00	859,235,929	0.00	856,261,880	0.00
TOTAL	786,099,589	0.00	875,235,929	0.00	859,651,085	0.00	856,677,036	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	7,647,993	0.00	22,635,179	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	13,202,586	0.00	13,408,057	0.00
TOTAL - PD	0	0.00	0	0.00	20,850,579	0.00	36,043,236	0.00
TOTAL	0	0.00	0	0.00	20,850,579	0.00	36,043,236	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	17.089.677	0.00	11,845,102	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	29,501,592	0.00	20,527,410	0.00
TOTAL - PD	0	0.00		0.00	46,591,269	0.00	32,372,512	0.00
TOTAL	0	0.00	0	0.00	46,591,269	0.00	32,372,512	0.00

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FY	12	De	partment	of	Social	Services	Report #	49
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# **DECISION ITEM SUMMARY**

GRAND TOTAL	\$786,099,58	9 0.00	\$875,235,92	0.00	\$981,458,243	0.00	\$979,815,264	0.00
TOTAL		0.00		0.00	0	0.00	357,170	0.00
TOTAL - PD		0.00		0.00	0	0.00	357,170	0.00
GENERAL REVENUE		0.00		0.00	0	0.00	357,170	0.00
FMAP Adjustment - 1886017 PROGRAM-SPECIFIC								
TOTAL		0.00	(	0.00	54,365,310	0.00	54,365,310	0.00
TOTAL - PD		0.00	(	0.00	54,365,310	0.00	54,365,310	0.00
PHARMACY REIMBURSEMENT ALLOWAN		0.00		0.00	0	0.00	8,808,452	0.00
TITLE XIX-FEDERAL AND OTHER		0.00	•	0.00	34,424,114	0.00	34,473,043	0.00
PROGRAM-SPECIFIC GENERAL REVENUE		0 0.00	(	0.00	19,941,196	0.00	11,083,815	0.00
Pharmacy PMPM increase - 1886011								
PHARMACY				_				
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
Budget Object Summary	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Unit Decision Item	EV 2040	EV 2040	EV 2044	EV 2044	EV 2042	FY 2012	FY 2012	FY 2012

#### **CORE DECISION ITEM**

**Department: Social Services** 

Division: MO HealthNet

Core: Pharmacv

**Budget Unit: 90541C** 

PS EE 207,578 207,578 415,156 EE 207,578 207,578 415, PSD 101,973,887 550,933,562 206,328,480 859,235,929 E PSD 99,357,008 550,576,392 206,328,480 856,261, TRF			FY 2012 Budg	get Request			FY 2	2012 Governor's	Recommendat	ion	
EE       207,578       207,578       415,156       EE       207,578       207,578       207,578       415,156         PSD       101,973,887       550,933,562       206,328,480       859,235,929       E       PSD       99,357,008       550,576,392       206,328,480       856,261,776         TRF       TRF		GR	Federal	Other	Total		GR	Federal	Other	Total	1
PSD 101,973,887 550,933,562 206,328,480 859,235,929 E PSD 99,357,008 550,576,392 206,328,480 856,261	PS					PS					-
TRF TRF	EE	207,578	207,578		415,156	EE	207,578	207,578		415,156	
	PSD	101,973,887	550,933,562	206,328,480	859,235,929	E PSD	99,357,008	550,576,392	206,328,480	856,261,880	Ε
Total 102 181 465 551 141 140 206 328 480 859 651 085 F Total 99 564 586 550 783 970 206 328 480 856 677	TRF					TRF					
102,101,400 001,141,140 200,020,400 000,051,000 L 10tal 35,004,000 000,700,570 200,020,400 000,011	Total	102,181,465	551,141,140	206,328,480	859,651,085	E Total	99,564,586	550,783,970	206,328,480	856,677,036	Ē

Est. Fringe 0 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Est. Fringe 0 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Rebates Fund (0114)

Third Party Liability Collections Fund (TPL) (0120) Pharmacy Reimbursement Allowance Fund (0144)

Health Initiatives Fund (HIF) (0275) Healthy Families Trust Fund (0625)

Premium Fund (0885)

Life Sciences Research Trust Fund (0763)

An "E" is requested for the \$104,155,927 Pharmacy Rebates Fund

Third Party Liability Collections Fund (TPL) (0120)

Other Funds: Pharmacy Rebates Fund (0114)

Pharmacy Reimbursement Allowance Fund (0144)

Health Initiatives Fund (HIF) (0275) Healthy Families Trust Fund (0625)

Premium Fund (0885)

Life Sciences Research Trust Fund (0763)

Note: An "E" is requested for the \$104,155,927 Pharmacy Rebates Fund and for the \$55,553,508 Pharmacy Reimbursement Allowance Fund. and for the \$55,553,508 Pharmacy Reimbursement Allowance Fund.

## 2. CORE DESCRIPTION

This core request is for the continued funding of the pharmacy program. This funding is necessary to maintain pharmacy reimbursement at a sufficient level to ensure quality health care and provider participation. Funding provides pharmacy services for both managed care and fee-for-service populations. Beginning on October 1, 2009, pharmacy services were carved-out of the managed care capitation rates and the state began administering the pharmacy benefit for participants enrolled in managed care.

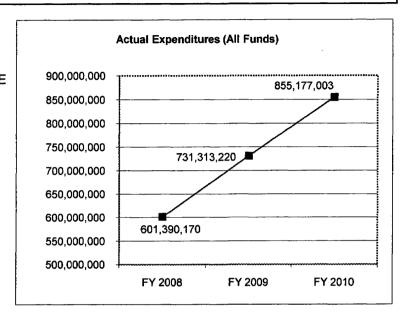
## 3. PROGRAM LISTING (list programs included in this core funding)

**Pharmacy** 

Note:

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	781,079,605	897,730,792	985,174,582	875,235,929 E
Less Reverted (All Funds)	(14,500,000)	(67,943,111)	(11,808,179)	N/A
Budget Authority (All Funds)	766,579,605	829,787,681	973,366,403	N/A
Actual Expenditures (All Funds)	601,390,170	731,313,220	855,177,003	N/A
Unexpended (All Funds)	165,189,435	98,474,461	118,189,400	N/A
Unexpended, by Fund:				
General Revenue	55,911,179	15,097,538	0	N/A
Federal	103,331,552	62,421,155	109,387,102	N/A
Other	5,946,704	20,955,764	8,802,297	N/A
		(1) (2)	(3) (4)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

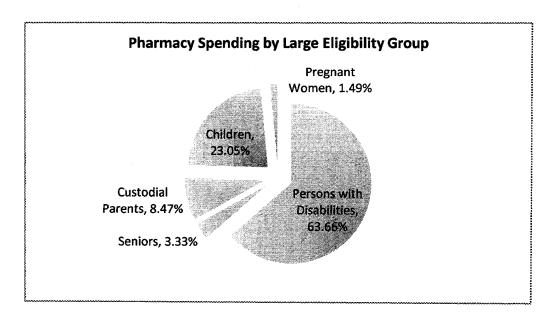
- (1) "E" increases of \$30,000,000 Pharmacy Rebates and \$82,600,000 Pharmacy Reimbursement Allowance.
- (2) Agency reserve of \$5,100,000 General Revenue and \$4,670,778 Third Party Liability Collections.
- (3) "E" increases of \$11,500,000 Pharmacy Rebates and \$45,100,000 Pharmacy Reimbursement Allowance.
- **(4)** Agency reserve of \$39,948,777 Federal and \$8,800,000 Pharmacy Rebates. Expenditures of \$10,759,974 paid from the Supplemental Pool.

#### 4. FINANCIAL HISTORY

·	Cost Per	Eligible - Per Me	ember Per Month	(PMPM)
	Phermacy PMPM*	Acute Care PMPM	Total PMPM	Pharmacy Pharmacy Percentage of Acute Total
PTD	\$277.23	\$911.73	\$1,541.10	30.41% 17.99%
Seniors	\$30.07	\$335.72	\$1,357.76	8.96% 2.21%
Custodial Parents	\$72.85	\$399.46	\$410.83	18 24% 17.73%
Children**	\$34.83	\$245.08	\$267.46	14.21% 13.02%
Pregnant Women	\$36.09	\$523.13	\$529.42	6.90% 6.82%

Claims only from FY 10 Table 23 Medical Statistics.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for Fiscal Year 2010

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for pharmacy, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, inhome services, mental health services and state institutions. By comparing the pharmacy PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for pharmacy services. It provides a snapshot of what eligibility groups are receiving pharmacy services, as well as the populations impacted by program changes.

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**PHARMACY** 

## 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	ES								
			EE	0.00	12,000,000	15,300,000	0	27,300,000	
			PD	0.00	97,973,887	543,633,562	206,328,480	847,935,929	
			Total	0.00	109,973,887	558,933,562	206,328,480	875,235,929	:
DEPARTMENT COR	RE ADJU	JSTME	NTS						
Core Reduction	983	2525	EE	0.00	(7,792,422)	0	0	(7,792,422)	FY11 expenditure restriction: reduce CCIP contract to only continue services for high cost users
Core Reduction	983	2526	EE	0.00	0	(7,792,422)	0	(7,792,422)	FY11 expenditure restriction: reduce CCIP contract to only continue services for high cost users
Core Reallocation	797	2526	EE	0.00	0	(7,300,000)	0	(7,300,000)	
Core Reallocation	797	2525	EE	0.00	(4,000,000)	0	0	(4,000,000)	
Core Reallocation	797	2525	PD	0.00	4,000,000	0	0	4,000,000	
Core Reallocation	797	2526	PD	0.00	0	7,300,000	0	7,300,000	
NET DE	PARTN	IENT C	HANGES	0.00	(7,792,422)	(7,792,422)	0	(15,584,844)	
DEPARTMENT COR	RE REQ	UEST							
			EE	0.00	207,578	207,578	0	415,156	
			PD	0.00	101,973,887	550,933,562	206,328,480	859,235,929	
			Total	0.00	102,181,465	551,141,140	206,328,480	859,651,085	
GOVERNOR'S ADD	ITIONAI	L COR	E ADJUSTI	MENTS					
Core Reduction	1995	2525	PD	0.00	(270,060)	0	0	(270,060)	
Core Reduction	2001	2525	PD	0.00	(2,346,819)	0	0	(2,346,819)	

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**PHARMACY** 

# 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	í
GOVERNO	R'S ADDI	TIONAL COF	RE ADJUST	MENTS				· · · · · · · · · · · · · · · · · · ·	
Core Reduc	ction	2216 2526	PD	0.00	0	(357,170)	0	(357,170)	
	NET GO	VERNOR CH	IANGES	0.00	(2,616,879)	(357,170)	0	(2,974,049)	
GOVERNO	R'S RECC	MMENDED	CORE						
			ΕE	0.00	207,578	207,578	0	415,156	
			PD	0.00	99,357,008	550,576,392	206,328,480	856,261,880	
			Total	0.00	99,564,586	550,783,970	206,328,480	856,677,036	

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								
CORE								
PROFESSIONAL SERVICES	34,988,823	0.00	27,300,000	0.00	415,156	0.00	415,156	0.00
TOTAL - EE	34,988,823	0.00	27,300,000	0.00	415,156	0.00	415,156	0.00
PROGRAM DISTRIBUTIONS	751,110,766	0.00	847,935,929	0.00	859,235,929	0.00	856,261,880	0.00
TOTAL - PD	751,110,766	0.00	847,935,929	0.00	859,235,929	0.00	856,261,880	0.00
GRAND TOTAL	\$786,099,589	0.00	\$875,235,929	0.00	\$859,651,085	0.00	\$856,677,036	0.00
GENERAL REVENUE	\$113,647,049	0.00	\$109,973,887	0.00	\$102,181,465	0.00	\$99,564,586	0.00
FEDERAL FUNDS	\$497,363,727	0.00	\$558,933,562	0.00	\$551,141,140	0.00	\$550,783,970	0.00
OTHER FUNDS	\$175,088,813	0.00	\$206,328,480	0.00	\$206,328,480	0.00	\$206,328,480	0.00

#### PROGRAM DESCRIPTION

Department: Social Services Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payment for pharmacy services for fee-for-service MO HealthNet participants.

This Pharmacy Services appropriation provides funding for fee-for-service eligibles for prescription drugs produced by manufacturers for which there exists a rebate agreement between the manufacturer and the federal Department of Health and Human Services (HHS) and dispensed by qualified providers. Since January 1, 1991, the MO HealthNet program has provided reimbursement for all outpatient drugs (except for those which are specifically excluded) for which there is a manufacturer's rebate agreement. While over-the-counter preparations do not require a prescription for sale to the general public, a prescription for those selected types of over-the-counter products that qualify for MO HealthNet coverage is required in order for the product to be reimbursable. In general terms, MO HealthNet drug reimbursement is made at the lower of: the Wholesale Acquisition Cost (WAC) plus 10%; the Federal Upper Limit (FUL); the Missouri Maximum Acquisition Cost (MAC); or the billed charge. MO HealthNet uses its electronic tools incorporating clinical criteria derived from best practices and evidence-based medical information to adjudicate claims through Clinical Edits, Preferred Drug List Edits, and Prior Authorization.

The U.S. Congress created the Medicaid outpatient prescription drug rebate program when it enacted the Omnibus Budget Reconciliation Act of 1990 (OBRA '90). The goal of the program is to reduce the cost of outpatient prescription drugs by requiring drug manufacturers to pay a rebate directly to state Medicaid programs. The purpose of the program is to reduce the cost of prescription drugs without placing an undue burden on pharmacies by requiring the drug manufacturers to pay a rebate directly to the state Medicaid programs. The intent of this rebate is to allow the state and federal governments to receive price reductions similar to those received by other high volume purchasers of drugs.

#### Rebate Program

OBRA '90 requires all drug manufacturers to enter into a drug rebate agreement with the Department of Health and Human Services before their product lines will be eligible for coverage by Medicaid. Currently, 500 manufacturers have signed agreements with Centers for Medicare and Medicaid Services (CMS) and participate in the Drug Rebate Program. Approximately 400 manufacturers have products dispensed and are invoiced quarterly. Once the drug manufacturer has entered into the agreement, the state Medicaid programs are required to provide coverage of the manufacturers' drug products. However, the state has the option of excluding certain categories of the manufacturer's products or requiring prior authorization for reimbursement of products. Manufacturers are required to calculate and make rebate payments to the state Medicaid agency for the manufacturer's covered outpatient drugs reimbursed by the state during each quarter.

Manufacturers are to be invoiced no later than sixty days after the end of each calendar quarter and are required to make payment for the calculated drug rebate directly to the state Medicaid program within 38 days of invoicing. For generic drugs, the rebate amount is currently 11% of Average Manufacturer Price (AMP). For multi-source drugs, the rebate is the greater of 15% of AMP or the difference between the AMP and the manufacturer's "best price", plus CPI-U factors. The manufacturer has the option of disputing the calculated drug rebate amount if the manufacturer disagrees with the state's drug utilization data. The manufacturer is required to report the nature of the dispute to the state, and the state is then responsible for resolving the dispute through negotiation or a hearing process, if necessary. Approximately 35% of the total rebates collected are used as a state share funding source rather than using General Revenue funds. The approximate 65% federal share of the rebates collected is returned to the federal government.

#### **Prior Authorization**

Any covered outpatient drug can be subject to prior authorization. Effective August 1, 1992, a prior authorization (PA) process was implemented for certain specific drugs under the pharmacy program.

Drug PA requests are received via telephone, fax or mail. All requests for drug PA must be initiated by a physician or authorized prescriber (advanced practice nurse) with prescribing authority for the drug category for which a PA is being requested. As specified in OBRA 90, drug PA programs must provide a response by telephone or other telecommunication device within 24 hours of receipt. All requests must include all required information. Requests received with insufficient information for review or received from someone other than a physician will not initiate a PA review nor the 24-hour response period. Drug PA requests received via telephone are keyed on-line and notification of approval will be given at the time of the call or by return FAX or phone call. The MO HealthNet Technicians who staff this hotline work through algorithms developed by the Drug Prior Authorization Committee with the assistance of UMKC-DIC, School of Pharmacy. These algorithms are sets of questions used to make a determination to approve or deny the request. Making the prior authorization determination on-line allows the PA file to be updated immediately. For approvals, the requestor will be given an authorization period. Pharmacies may record this information for this purpose as well.

#### Board and Committee Support and Oversight

The MO HealthNet Oversight Committee was created in 2007 and is charged with evaluating the program and its implementation.

The MO HealthNet Division operates both prospective and retrospective Drug Utilization Review (DUR) as required by federal and state law. The DUR program is focused on educating health care providers in the appropriate use of medications, and informing them of potential drug therapy problems found in the review of drug and diagnostic information obtained from MO HealthNet claims history. The DUR Board is central to all DUR program activities, and its duties and membership requirements are specified in state and federal law. DUR Board members are appointed by the Governor with advice and consent of the Senate, and its 13 members include six physicians, six pharmacists, and one quality assurance nurse. In an ongoing process, the DUR Board reviews and makes changes to the clinical therapeutic criteria used to generate prospective and retrospective DUR interventions. The DUR Board also advises the Division on other issues related to appropriate drug therapy and produces a quarterly newsletter for providers on selected drug topics. In addition to the Board, a Regional DUR Committee, comprised of physicians and pharmacists, evaluates individual participants' retrospective drug regimens and advises their providers on appropriate drug use or potentially problematic drug therapies.

The MO HealthNet Drug Prior Authorization (PA) Committee is established in state regulation. This advisory committee is charged with reviewing drugs and recommending those drugs which are appropriate for reimbursement as a regular benefit verses those which should be placed on prior authorization status. All such recommendations made by the Drug PA Committee are referred to the DUR Board, as they are the statutorily-appointed advisory group for final recommendation to the Division.

#### Cost Containment Initiatives

As a result of new drugs, rapidly changing prescribing patterns and increased expenditures in the MO HealthNet fee-for-service pharmacy program, the MO HealthNet program continues to implement a number of administrative measures to ensure the economic and efficient provision of the MO HealthNet pharmacy benefit. These strategies have been developed through recommendations from a number of sources, including affected state agencies, provider groups, and the pharmaceutical industry. The intent of these initiatives is to ensure that MO HealthNet participants get the right drug to meet their needs, in the right amount and for the right period of time. Examples of some of the cost containment initiatives include:

Expanded Missouri Maximum Allowable Cost (MAC) List: The list of drugs for which the state agency has established a generic reimbursement limit will be monitored and expanded on a regular basis. A mechanism is in place to review existing MACs as well as identifying new generic drugs for addition to this list, as they become available. This optimizes generic utilization in the MO HealthNet program.

The Preferred Drug List (PDL) utilizes information from various clinical sources, including the UMKC Drug Information Center, the Oregon Evidence-Based Drug Research Consortium, our clinical contractors, and our own clinical research team. Clinical information is paired with fiscal evaluation to develop a therapeutic class recommendation. The resulting PDL process incorporates clinical edits, including step therapies, into the prescription drug program. Clinical edits are designed to enhance patient care and optimize the use of program funds through therapeutically prudent use of pharmaceuticals. Point-of-sale (POS) pharmacy claims are routed through an automated computer system to apply edits specifically designed to ensure effective and appropriate drug utilization. The goal is to encourage cost effective therapy within the selected drug class.

Specialty medications include high-cost injectable, infused, oral, or inhaled drugs that involve specific handling, supervision or monitoring. MO HealthNet will continue to review specialty medications within each of the therapeutic categories to identify clinical editing, preferred drug list (PDL) and prior authorization (PA) opportunities. MO HealthNet is focusing on opportunities to reduce expenditures without compromising participant outcomes. One example is the Missouri Maximum Allowable Cost (MAC) Pricing for Specialty Drugs. The MAC specialty program follows MO HealthNet pricing methodology, utilizing Wholesale Acquisition Cost (WAC), pricing generally available to providers, as a basis for pricing the identified specialty medications. In accordance with MO HealthNet MAC program policy, MO HealthNet staff monitors and updates the more inclusive Missouri MAC list.

Edits - Dose Optimization: Effective for dates of service on or after April 16, 2002, claims submitted to the MO HealthNet Pharmacy Program are subject to edits to identify claims for pharmacy services that fall outside expected patterns of use for certain products. Overrides to these edit denials can be processed through the help desk. Justification for utilization outside expected patterns such as FDA approved labeling is required for approval of such an override.

Pharmacy Provider Tax: The Missouri General Assembly passed legislation establishing a tax on licensed retail pharmacies in Missouri for the privilege of providing outpatient prescription drugs. The Department of Social Services has notified each pharmacy of the amount of tax due. The tax began in 2002. Effective July 1, 2007, Missouri pharmacies were given an enhanced dispensing fee of \$4.82, for a total dispensing fee of \$9.66.

Effective for dates of service January 1, 2010 and beyond, the MO HealthNet Pharmacy Program will begin paying pharmacy providers a generic product preferred incentive fee. This program initiative will continue to emphasize the preference for generic utilization within the MO HealthNet pharmacy program by paying pharmacy providers an enhanced incentive fee of \$4.00 for each eligible claim.

Prior Authorization of All New Drugs: Effective July 1, 2002, prior authorization is required for all new drug entities and new drug product dosage forms of these products through existing drug entities that have been approved by the Food and Drug Administration and are available on the market. After identifying First Data Bank's weekly updates, the medications are reviewed for medical and clinical criteria along with pharmacoeconomic impact to the pharmacy program.

In December 2003, the MHD moved diabetic testing supplies and syringes from the DME program to the pharmacy program, and initiated a single source diabetic testing supply initiative, continuing to encourage patient blood glucose testing while minimizing state expenditures. In April 2005, the pharmacy program moved to a multi-source diabetic testing supplies initiative. Diabetic testing supply products and syringes are now available in preferred status from multiple manufacturers, providing greater participant choice.

Enhanced Retrospective Drug Utilization: Enhanced Retrospective Drug Utilization involves retroactively reviewing population based patterns of drug use to compare those patterns to approved therapeutic guidelines in order to determine the appropriateness of care, length of treatment, drug interaction, and other clinical issues.

Provider Audits: Daily provider audits are performed by MHD/IFOX staff for the identification and resolution of potential recoupments.

### Clinical Management Services Program (CMSP)

Through a contract with ACS Heritage, MHD operates an innovative electronic web-based clinical editing process for its point-of-sale pharmacy and medical claims, medical and drug prior authorization, and Drug Utilization Review (DUR) processes. The current CMSP claim processing system allows each claim to be referenced against the participant's claims history including pharmacy, medical and procedural data (ICD-9 and CPT codes), providing real time data to participating MO HealthNet providers. For patients that meet approval criteria, the claim will be paid automatically. In instances when a phone call is necessary, the hotline call center is available seven days a week, which allows providers prompt access to a paid claim for the requested product or service. In addition to receiving messages regarding the outcome of the processing of claims and the amount to be reimbursed, pharmacy providers receive prospective drug use review alert messages at the time prescriptions are dispensed.

The contract with ACS-Heritage utilizes their *CyberAccess*<sup>SM</sup> tool to create integrated patient profiles containing prescription information, as well as patient diagnoses and procedure codes for a running 24 months of history. *CyberAccess*<sup>SM</sup> provides: participant claims history profiles, updated daily, identifying all drugs, procedures, related diagnoses and ordering providers from claims paid by MHD for a rolling 36 month period; and three years of point of sale (POS) pharmacy claims refreshed every ten (10) minutes.

Point-of-service pharmacy - Claims are routed through Heritage's automated system to apply edits specifically designed to assure effective utilization of pharmaceuticals. The edits are founded on evidence-based clinical and nationally recognized expert consensus criteria. Claims will continue to be processed by IFOX for all other edits and final adjudication. After processing by Heritage and IFOX, the claim will be sent back to the provider with a total processing time of approximately 10 seconds. Claims which are denied by the system edits will require an override from the existing help desk. Providers seeking an override must contact the help desk for approval, which will be granted if medically necessary.

Fiscal and Clinical Edits - This initiative optimizes the use of program funds and enhances patient care through improved use of pharmaceuticals. Since the implementation of the Omnibus Budget Reduction Act of 1990 (OBRA 90), education on the use of pharmaceuticals has been accomplished primarily through DUR. However, the prospective DUR alerts currently generated by the fiscal agent (IFOX) have been largely ignored by pharmacy providers as they are more general in nature and few are tied to claim reimbursement. Other third party payors have successfully utilized more extensive evidence based claims screening edits in an effort to control costs. Such edits are applicable within the Medicaid program to achieve similar cost controls.

Drug Utilization Review: This process is currently provided by Heritage, and will be an extension of the current process with some enhancements. Under the new contract, this initiative will utilize the same database / computer system as for the previously described components. This system uses a relational database capable of interfacing MO HealthNet paid claims history with flexible, high quality clinical evaluation criteria. The process is designed to identify high-risk drug use patterns among physicians, pharmacists, and beneficiaries, and to educate providers (prescribers and dispensers) in appropriate and cost-effective drug use. This process is capable of identifying providers prescribing and dispensing practices which deviate from defined standards, as well as generate provider profiles and ad hoc reports for specified provider and participant populations. The goal of the program is to maximize drug therapy and outcomes, and optimize expenditures for health care.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Statute: RSMo. 208.152, 208.166, Federal law: Social Security Act Section 1902(a)(12), Federal regulation: 42 CFR 440.120

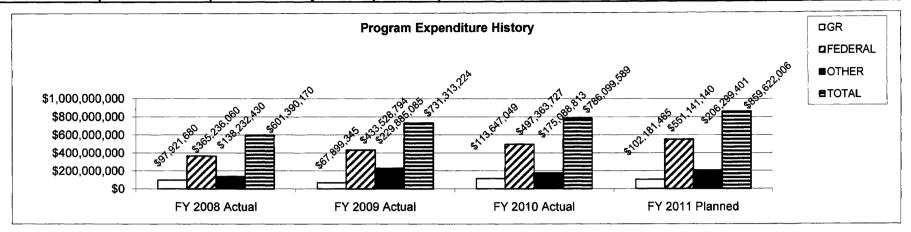
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

## 4. Is this a federally mandated program? If yes, please explain.

Yes for children. No for adults.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



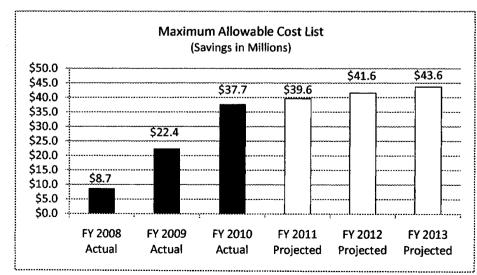
FY11 Reverted: \$7,821,501 GR and Other Funds FY11 Reserve: \$7,792,422 Federal Funds

FY11 Reserve: \$9,500,000 Life Sciences Research Trust Fund

#### 6. What are the sources of the "Other" funds?

Pharmacy Reimbursement Allowance Fund (0144), Pharmacy Rebates Fund (0114), Health Initiatives Fund (0275), Third Party Liability Fund (0120), Healthy Families Trust Fund (0625), Premium (0885) and Life Science Research Trust Fund (0763).

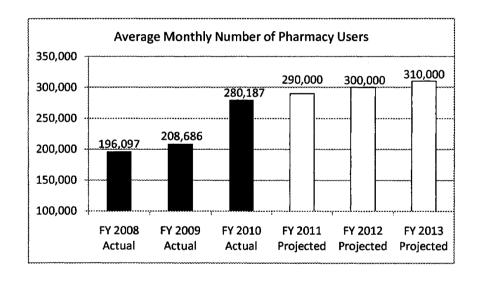
#### 7a. Provide an effectiveness measure.

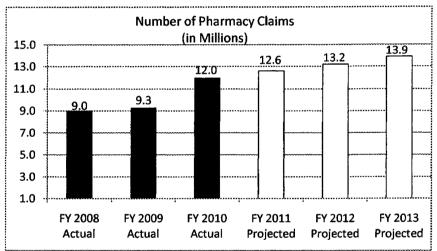


### 7b. Provide an efficiency measure.

#### 7c. Provide the number of clients/individuals served, if applicable.

Pharmacy services are available to all MO HealthNet participants. Prior to FY 2010, managed care plans had the option to carve out pharmacy services. Beginning in SFY 2010, managed care plans are no longer responsible for paying for pharmacy services. Pharmacy services for both fee-for-service and managed care will be paid from the pharmacy section.





Note: Source of Actual data has changed to provide more accurate information.

#### d. Provide a customer satisfaction measure, if available,

# **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY-MED PART D-CLAWBACK								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	106,394,244	0.00	121,061,000	0.00	121,061,000	0.00	121,061,000	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	1	0.00	1	0.00	1	0.00
MISSOURI RX PLAN FUND	0	0.00	6,500,000	0.00	0	0.00	0	0.00
TOTAL - PD	106,394,244	0.00	127,561,001	0.00	121,061,001	0.00	121,061,001	0.00
TOTAL	106,394,244	0.00	127,561,001	0.00	121,061,001	0.00	121,061,001	0.00
Clawback increase - 1886010								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	89,394,824	0.00	72,729,001	0.00
TOTAL - PD	0	0.00	0	0.00	89,394,824	0.00	72,729,001	0.00
TOTAL	0	0.00	0	0.00	89,394,824	0.00	72,729,001	0.00
GRAND TOTAL	\$106,394,244	0.00	\$127,561,001	0.00	\$210,455,825	0.00	\$193,790,002	0.00

		,		

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90543C

**Division: MO HealthNet** 

Core: Pharmacy-Medicare Part D Clawback

1. CORE FIN	IANCIAL SUMMA	RY									
		FY 2012 Bud	get Request				FY 2	2012 Governor's	Recommendat	ion	
	GR	Federal	Other	Total			GR	Federal	Other	Total	]
PS EE					_	PS EE					_
PSD TRF	121,061,000	1		121,061,001	E	PSD TRF	121,061,000	1		121,061,001	_
Total	121,061,000	1		121,061,001	_E	Total	121,061,000	1		121,061,001	_E
FTE				0.00	)	FTE				0.00	)
Est. Fringe	0	0	0	0		Est. Fringe	0	0	0		4
_	s budgeted in Housighway Patrol, and		r certain fringes b	oudgeted directly		, -	s budgeted in Hou DOT, Highway Pa	•	_	budgeted	
Other Funds:	Missouri Rx Plan	Fund (0779)				Other Funds:	Missouri Rx Plan	Fund (0779)			
Note:	An "E" is requeste	ed for the \$1 Fede	ral Funds.			Note:	An "E" is request	ed for the \$1 Fed	eral Funds.		

## 2. CORE DESCRIPTION

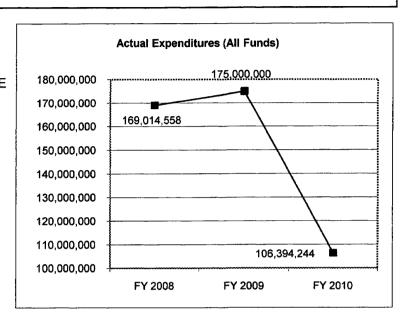
This core request is for the continued funding of the Medicare Part D Clawback. Part of the Medicare Prescription Drug Act requires States to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the State absent the Part D drug benefit.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy--Medicare Part D--Clawback

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	196,269,135	175,000,001	185,000,001	127,561,001 E
Less Reverted (All Funds)	(20,000,000)	0	(78,605,756)	N/A
Budget Authority (All Funds)	176,269,135	175,000,001	106,394,245	N/A
Actual Expenditures (All Funds)	169,014,558	175,000,000	106,394,244	N/A
Unexpended (All Funds)	7,254,577	1	1	N/A
Unexpended, by Fund:				
General Revenue	7,254,576	0	0	N/A
Federal	1	1	1	N/A
Other	0	0	0	N/A
		(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### NOTES:

Estimated E for Missouri Rx and Federal fund appropriation.

- (1) Expenditures of \$2,533,496 paid from pharmacy.
- (2) ARRA FMAP adjustment resulted in credit (reduced expenditures) of \$78,509,219.

#### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES PHARMACY-MED PART D-CLAWBACK

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	121,061,000	1	6,500,000	127,561,001	
	Total	0.00	121,061,000	1	6,500,000	127,561,001	-
DEPARTMENT CORE ADJUSTM	ENTS	<u> </u>					•
Core Reduction 1275 1055	PD	0.00	0	0	(6,500,000)	(6,500,000)	Core reduction for empty MO Rx authority
NET DEPARTMENT	CHANGES	0.00	0	0	(6,500,000)	(6,500,000)	
DEPARTMENT CORE REQUEST							
	PD	0.00	121,061,000	1	0	121,061,001	
	Total	0.00	121,061,000	1	0	121,061,001	•
GOVERNOR'S RECOMMENDED	CORE						•
	PD	0.00	121,061,000	1	0	121,061,001	
	Total	0.00	121,061,000	1	0	121,061,001	•

FY12 Department of Social Service	es Report #1	0					ECISION ITE	M DETAIL	
Budget Unit	FY 2010	FY 2010 ACTUAL	FY 2011	FY 2011 BUDGET	FY 2012 DEPT REQ DOLLAR	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL		BUDGET			DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE					
PHARMACY-MED PART D-CLAWBACK									
CORE									
PROGRAM DISTRIBUTIONS	106,394,244	0.00	127,561,001	0.00	121,061,001	0.00	121,061,001	0.00	
TOTAL - PD	106,394,244	0.00	127,561,001	0.00	121,061,001	0.00	121,061,001	0.00	
GRAND TOTAL	\$106,394,244	0.00	\$127,561,001	0.00	\$121,061,001	0.00	\$121,061,001	0.00	
GENERAL REVENUE	\$106,394,244	0.00	\$121,061,000	0.00	\$121,061,000	0.00	\$121,061,000	0.00	
FEDERAL FUNDS	\$0	0.00	\$1	0.00	\$1	0.00	\$1	0.00	
OTHER FUNDS	\$0	0.00	\$6,500,000	0.00	\$0	0.00	\$0	0.00	

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Pharmacy--Medicare Part D Clawback

Program is found in the following core budget(s): Pharmacy--Medicare Part D Clawback

#### 1. What does this program do?

PROGRAM SYNOPSIS: The Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003 required that all individuals who are eligible for both Medicare and MO HealthNet receive their prescription drugs through the Medicare Part D program. This change resulted in a significant shift in benefits for elderly and disabled dual eligible participants because they receive their drugs through a prescription drug plan (PDP) rather than through the state's MO HealthNet program.

The federal government refers to this payment as the "Phased-down State Contribution", whereas the states more appropriately refer to the payment as the "clawback". This clawback payment is, in effect, a funding source for the Medicare Part D program. In theory, it uses the General Revenue that the state would have paid for the MO HealthNet pharmacy benefit for funding the Part D program.

States are required to make a monthly payment to the federal government to, in effect, re-direct the money that the states would have spent on providing prescription drugs to participants in the MO HealthNet program. The clawback consists of a monthly calculation based on the combination of (a) the state's per capita spending on prescription drugs in 2003, (b) the state's federal Medicaid match rate, (c) the number of dual eligibles residing in the state, and (d) a "phase-down percentage" of state savings to be returned to the federal government beginning with 90 percent in 2006 and phasing down to 75 percent in 2015. The phased-down percentage for CY 2011 is 81.67%.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003, P.L. 108-173.

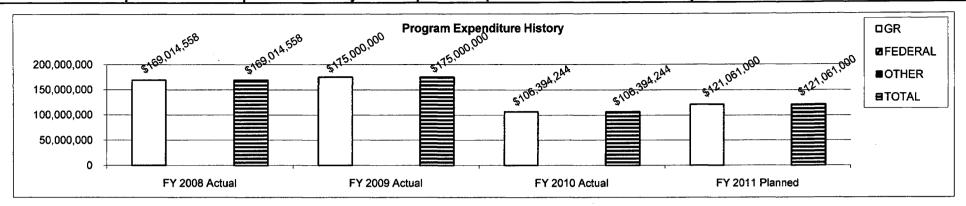
#### 3. Are there federal matching requirements? If yes, please explain.

No.

## 4. Is this a federally mandated program? If yes, please explain.

Yes. The states are required to make a monthly payment to the federal government to re-direct the money that the states would have spent on providing prescription drugs to participants in MO HealthNet.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



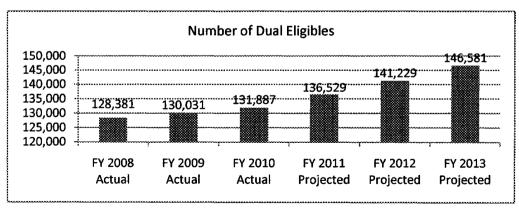
#### 6. What are the sources of the "Other" funds?

N/A

#### 7a. Provide an effectiveness measure.

## 7b. Provide an efficiency measure.

## 7c. Provide the number of clients/individuals served, if applicable.



### 7d. Provide a customer satisfaction measure, if available.

# NEW DECISION ITEM RANK: 14

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase

**Budget Unit: 90543C** 

DI#: 1886010

		FY 2012 Bud	get Request			FY 2	012 Governor's	s Recommenda	ation
	GR	Federal	Other	Total		GR	Federal	Other	Total
					PS				
					EE				
ס	89,394,824			89,394,824	PSD	72,729,001			72,729,00
F					TRF				
tal	89,394,824			89,394,824	Total	72,729,001			72,729,00
_									
<b>E</b>				0.00	FTE				0.
. Fringe	0 1	0.1	0	0	Est. Fringe	[ 0]	o l	0	T
	0 s budgeted in Hou	0   se Bill 5 except	0 for certain fring	0 les budgeted	Est. Fringe Note: Fringe	0 s budgeted in Ho	0 ouse Bill 5 excep	0 ot for certain frin	
_	0   s budgeted in Hou DOT, Highway Pa	se Bill 5 except	for certain fring		Note: Fringe	0 s budgeted in Ho DOT, Highway F	ouse Bill 5 excep	t for certain frin	
te: Fringe ectly to Mo	s budgeted in Hou DOT, Highway Pa	se Bill 5 except	for certain fring		Note: Fringe	s budgeted in Ho	ouse Bill 5 excep	t for certain frin	
e: Fringe	s budgeted in Hou DOT, Highway Pa	se Bill 5 except	for certain fring		Note: Fringe	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep	t for certain frin	
te: Fringe ectly to Mo er Funds:	s budgeted in Hou DOT, Highway Pa	se Bill 5 except trol, and Conse	for certain fring ervation.		Note: Fringe directly to Mo	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep	t for certain frin	
te: Fringe ectly to Mo er Funds:	s budgeted in Hou DOT, Highway Pa	se Bill 5 except trol, and Conse	for certain fring ervation.		Note: Fringe directly to Mo	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep	t for certain frin	
te: Fringe ectly to Mo er Funds:	s budgeted in Hou DOT, Highway Pa	se Bill 5 except trol, and Conse	for certain fring ervation.	es budgeted	Note: Fringe directly to Mo	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep Patrol, and Cons	t for certain frin	
e: Fringe ectly to Mo er Funds:	s budgeted in Hou DOT, Highway Pa UEST CAN BE Ca New Legislation Federal Mandate	se Bill 5 except trol, and Conse	for certain fring ervation.	es budgeted	Note: Fringe directly to Mo Other Funds	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep Patrol, and Cons	t for certain frin ervation.	ges budgeted
e: Fringe ectly to Mo er Funds:	s budgeted in Hou DOT, Highway Pa UEST CAN BE C	se Bill 5 except trol, and Conse	for certain fring ervation.	ies budgeted	Note: Fringe directly to Mo Other Funds New Program	s budgeted in Ho DOT, Highway F	ouse Bill 5 excep Patrol, and Cons	ot for certain frin ervation. Fund Switch	ges budgeted

NDI SYNOPSIS: To provide for the anticipated increase in the Clawback payment.

CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This decision item requests funding for the increase in General Revenue needed for the payment of the Clawback, as calculated by the Centers for Medicare and Medicaid Services (CMS).

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Calculation for the MO HealthNet Clawback payment is shown below. The number of dual (Medicare and Medicaid) eligibles was calculated using the caseload growth for the disabled population and assumed that 46% are Medicare eligible, ((11,838 eligibles/12 months)\*46%) = 446. There is no projected growth for the elderly so no increase is being requested for that eligiblity group. The clawback assessment was calculated using CMS' methodology. The June assessment is included in the calculation because the assessment is one month in arrears.

	Number of	Clawback	<b>D</b>
Payment Date	Duals	Rate	Payment
June 2011	138,775	\$97.60	13,544,440.00
July 2011	139,221	\$124.63	17,351,113.23
August 2011	139,667	\$124.63	17,406,698.21
Sept 2011	140,113	\$124.63	17,462,283.19
October 2011	140,559	\$124.53	17,503,812.27
Nov 2011	141,005	\$124.53	17,559,352.65
Dec 2011	141,451	\$124.53	17,614,893.03
January 2012	141,897	\$128.88	18,287,685.36
February 2012	142,343	\$128.88	18,345,165.84
March 2012	142,789	\$128.88	18,402,646.32
April 2012	143,235	\$128.88	18,460,126.80
May 2012	143,681	\$128.88	18,517,607.28
FY 12 Projec	ted Spending		210,455,824.18
FY 12 Availal	ble		121,061,000.00
FY 12 Need			\$89,394,824.18

	Total	GR	Federal
Total Request	\$89,394,824	\$89,394,824	\$0

### **Governor's Recommendation:**

The number of dual (Medicare and Medicaid) eligibles was calculated using the caseload growth for the disabled population and assumed that 46% are Medicare eligible, ((7,939 eligibles/12 months)\*46%) = 304.

	Number of	Clawback	Doumant
Payment Date	Duals	Rate	Payment
June 2011	135,129	\$98.51	13,311,557.79
July 2011	135,433	\$118.30	16,021,723.90
August 2011	135,737	\$118.30	16,057,687.10
Sept 2011	136,041	\$118.30	16,093,650.30
October 2011	136,345	\$117.78	16,058,714.10
Nov 2011	136,649	\$117.78	16,094,519.22
Dec 2011	136,953	\$117.78	16,130,324.34
January 2012	137,257	\$121.89	16,730,255.73
February 2012	137,561	\$121.89	16,767,310.29
March 2012	137,865	\$121.89	16,804,364.85
April 2012	138,169	\$121.89	16,841,419.41
May 2012	138,473	\$121.89	16,878,473.97
FY 12 Project	ed Spending		193,790,001.00
FY 12 Availab	ole		121,061,000.00
FY 12 Need			\$72,729,001.00

	Total	GR	Federal
Total Request	\$72,729,001	\$72,729,001	\$0

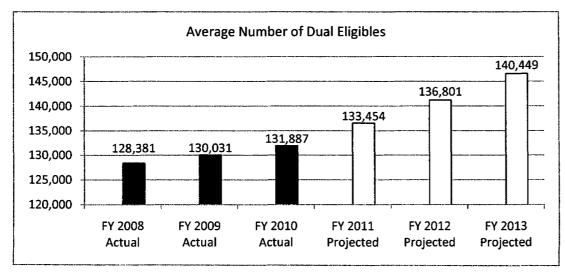
5. BREAK DOWN THE REQUEST E	BY BUDGET OBJE	CT CLASS.	JOB CLASS, AND	FUND SOUR	CE. IDENTIFY	ONE-TIME C	COSTS.		
	Dept Req GR	Dept Req GR	Dept Req FED	Dept Req FED	Dept Req	Dept Req OTHER	Dept Req	Dept Req	Dept Req One-Time
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS
					· · · · · · · · · · · · · · · · · · ·				
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
							_		
Total EE	0		0		0		0		0
Program Distributions Total PSD	89,394,824				•		89,394,824		0
Total PSD	89,394,824		0		0		89,394,824		U
Transfers Total TRF	0		0		0		0		0
	U		U		U				U
Grand Total	89,394,824	0.0	0	0.0	0	0.0	89,394,824	0.0	0
	Gov Rec	Gov Rec		Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec	Gov Rec
Budget Object Class/Job Class	GR DOLLARS	GR FTE	Gov Rec FED DOLLARS	FED FTE	OTHER DOLLARS	OTHER FTE	TOTAL DOLLARS	TOTAL FTE	One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
			· ·		·				•
Program Distributions  Total PSD	72,729,001 <b>72,729,001</b>		0		0		72,729,001 <b>72,729,001</b>		0
Transfers			•		J		,- == -,		•
Total TRF	0		0		0		0		0
Grand Total	72,729,001	0.0	0	0.0	0	0.0	72 720 004	0.0	0
	. 2,: 20,001	0.0	U	0.0	U	0.0	72,729,001	0.0	U

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

6b. Provide an efficiency measure.

6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

## 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

	FC	IQI	ON	ITEM	DET	ΓΔΙΙ
- 14			C)IV	1	LJE	MIL

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PHARMACY-MED PART D-CLAWBACK								
Clawback increase - 1886010								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	89,394,824	0.00	72,729,001	0.00
TOTAL - PD	0	0.00	0	0.00	89,394,824	0.00	72,729,001	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$89,394,824	0.00	\$72,729,001	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$89,394,824	0.00	\$72,729,001	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY12 Department of Social Services Report #9

## DECISION ITEM SUMMARY

MISSOURI RX PLAN FUND TOTAL - PD	8,150,951 20,171,345	0.00	5,781,772 19,575,566	0.00	5,781,772 19,575,566	0.00	5,781,772 19,575,566	0.00
PROGRAM-SPECIFIC HEALTHY FAMILIES TRUST	12,020,394	0.00	13,793,794	0.00	13,793,794	0.00	13,793,794	0.00
TOTAL - EE	0	0.00	26,600	0.00	26,600	0.00	26,600	0.00
EXPENSE & EQUIPMENT HEALTHY FAMILIES TRUST	0	0.00	26,600	0.00	26,600	0.00	26,600	0.00
MISSOURI RX PLAN CORE								
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
Decision Item Budget Object Summary	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Unit								

#### **CORE DECISION ITEM**

Department: Social Services Division: MO HealthNet

Core: Missouri Rx Plan

**Budget Unit: 90538C** 

1.	CORE	FINANCIAL	. SUMMARY

		FY 2012 Bud	lget Request			FY	FY 2012 Governor's Recommendation			
	GR	Federal	Other	Total		GR	Federal	Other	Total	]
PS					PS					
EE			26,600	26,600	EE			26,600	26,600	
PSD			19,575,566	19,575,566	E PSD			19,575,566	19,575,566	Ε
TRF			• •	, ,	TRF					
Total			19,602,166	19,602,166	E Total			19,602,166	19,602,166	Ē
										-

0.00

Est. Fringe 0 0 0 0 0 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

| Est. Fringe | 0 | 0 | 0 | 0 | Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Missouri Rx Plan Fund (0779)

Healthy Families Trust Fund (0625)

Other Funds: Missouri Rx Plan Fund (0779)

Healthy Families Trust Fund (0625)

Note:

FTE

An "E" is requested for the \$5,781,772 Missouri Rx Plan Fund

Note:

FTE

An "E" is requested for the \$5,781,772 Missouri Rx Plan Fund

0.00

#### 2. CORE DESCRIPTION

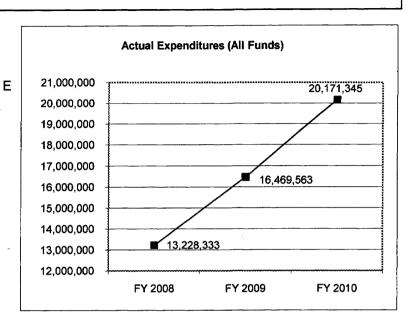
The Missouri Rx Plan provides certain pharmaceutical benefits to certain low-income elderly and disabled residents of the state, facilitates coordination of benefits between the Missouri Rx plan and the federal Medicare Part D drug benefit program established by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), P.L. 108-173 and enrolls individuals in the program.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy services under MMA - Part D

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	19,602,166	19,602,166	21,971,345	19,602,166 I
Less Reverted (All Funds)	0	0	(1,800,000)	N/A
Budget Authority (All Funds)	19,602,166	19,602,166	20,171,345	N/A
Actual Expenditures (All Funds)	13,228,333	16,469,563	20,171,345	N/A
Unexpended (All Funds)	6,373,833	3,132,603	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	6,373,833	3,132,603		N/A
			(1)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### NOTES:

Estimated "E" appropriation for MO RX Plan fund appropriation.

(1) "E" increase of \$2,369,179 in Missouri Rx Plan Fund.

#### **CORE RECONCILIATION DETAIL**

## DEPARTMENT OF SOCIAL SERVICES

MISSOURI RX PLAN

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Other	Total	E
TAFP AFTER VETOES								
	EE	0.00		0	. 0	26,600	26,600	
	PD	0.00		0	0	19,575,566	19,575,566	
	Total	0.00		0	0	19,602,166	19,602,166	•
DEPARTMENT CORE REQUEST								
	EE	0.00		0	0	26,600	26,600	
	PD	0.00		0	0	19,575,566	19,575,566	
	Total	0.00		0	0	19,602,166	19,602,166	
GOVERNOR'S RECOMMENDED	CORE							
	EE	0.00		0	0	26,600	26,600	
	PD	0.00		0	0	19,575,566	19,575,566	
	Total	0.00		0	0	19,602,166	19,602,166	•

FY12 Department of Social Services Report #10

**DECISION ITEM DETAIL** 

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MISSOURI RX PLAN								
CORE								
TRAVEL, IN-STATE	0	0.00	1,000	0.00	1,000	0.00	1,000	0.00
PROFESSIONAL SERVICES	0	0.00	25,500	0.00	25,500	0.00	25,500	0.00
BUILDING LEASE PAYMENTS	0	0.00	100	0.00	100	0.00	100	0.00
TOTAL - EE	0	0.00	26,600	0.00	26,600	0.00	26,600	0.00
PROGRAM DISTRIBUTIONS	20,171,345	0.00	19,575,566	0.00	19,575,566	0.00	19,575,566	0.00
TOTAL - PD	20,171,345	0.00	19,575,566	0.00	19,575,566	0.00	19,575,566	0.00
GRAND TOTAL	\$20,171,345	0.00	\$19,602,166	0.00	\$19,602,166	0.00	\$19,602,166	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$20,171,345	0.00	\$19,602,166	0.00	\$19,602,166	0.00	\$19,602,166	0.00

#### PROGRAM DESCRIPTION

Department: Social Services
Program Name: Missouri Rx Plan

Program is found in the following core budget(s): Missouri Rx Plan

#### 1. What does this program do?

PROGRAM SYNOPSIS: Pharmacy benefit program for Medicare/Medicaid dual eligibles and certain elderly and disabled below 200% of Federal Poverty Level (FPL), which provides a wrap around benefit for those enrolled in Medicare's (Part D) prescription drug program.

S.B. 539 (2005) established a state pharmaceutical assistance program known as the Missouri Rx Plan. The purpose of this program is to coordinate pharmaceutical benefits between the Missouri Rx plan and the federal Medicare Part D drug program for Medicare/Medicaid full dual eligibles, partial duals and other elderly and disabled Missourians below 200% of FPL. The Missouri Rx plan pays 50% of members' out of pocket costs remaining after their Medicare Prescription Drug Plan pays. Missouri Rx pays for 50% of the deductible, 50% of the co-pays before the coverage gap, 50% of the coverage gap and 50% of the co-pays in the catastrophic coverage.

MoRx works with all Medicare Part D plans, but has a preferred relationship with three Medicare Part D plans to provide members with the best possible prescription drug coverage. The preferred plans provide MoRx members with high quality, affordable prescription drug coverage by offering easier access to a broader drug formulary with fewer medication restrictions.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State Statute: RSMo. 208.780 through 208.798; Federal law: Medicare Prescription Drug Improvement and Modernization Act of 2003, P.L. 108-173.

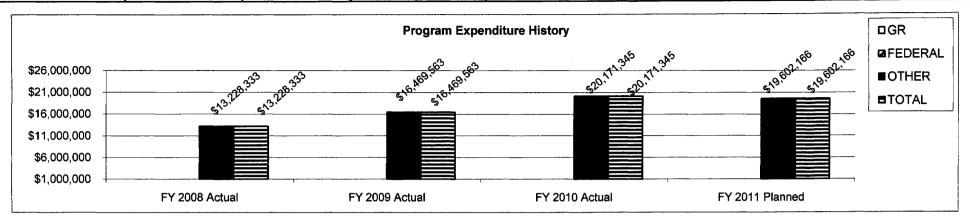
#### 3. Are there federal matching requirements? If yes, please explain.

No. This program is funded with 100% state sources.

## 4. Is this a federally mandated program? If yes, please explain.

No.

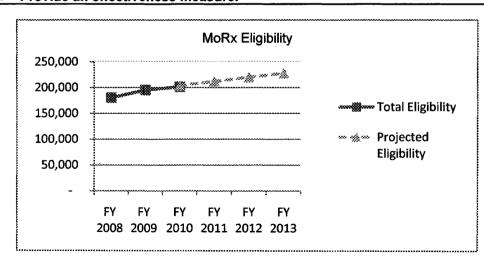
#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

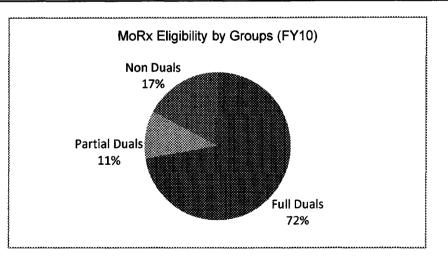


#### 6. What are the sources of the "Other" funds?

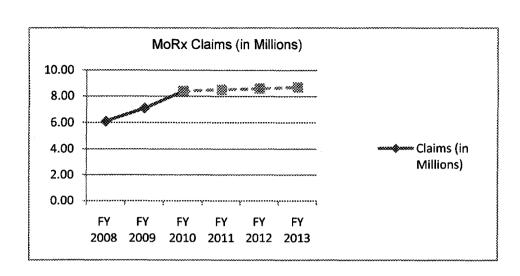
Missouri Rx Plan Fund (0779) and Healthy Families Trust Fund (0625).

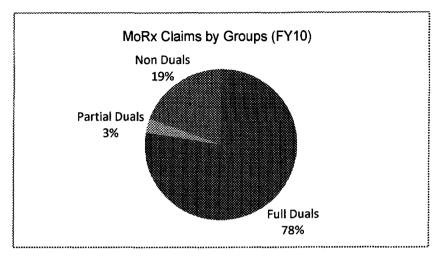
#### 7a. Provide an effectiveness measure.



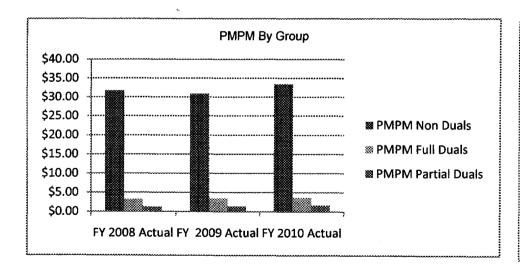


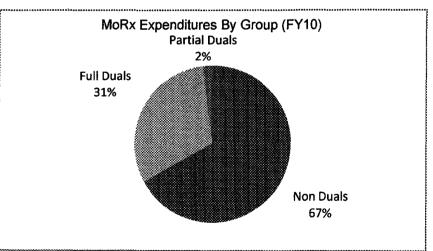
Full and partial dual eligibles receive the federal governments full "extra help" with Part D prescription drug costs. The MoRx's 50% benefit for these members was \$3.00 or less for each prescription for calendar year 2010. In contrast, 80% of the Non Duals do not qualify for the federal government's "extra help", so that the MoRx benefit is more substantial for them.



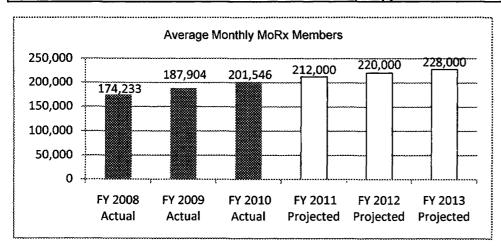


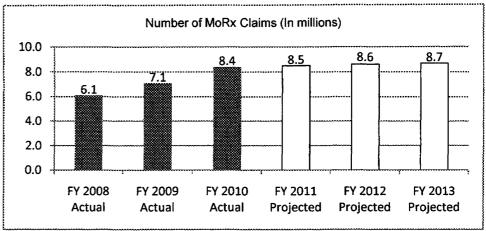
## 7b. Provide an efficiency measure.





## 7c. Provide the number of clients/individuals served, if applicable.





7d. Provide a customer satisfaction measure, if available.

## **DECISION ITEM SUMMARY**

GRAND TOTAL	\$69,077,411	0.00	\$90,308,926	0.00	\$90,308,926	0.00	\$90,308,926	0.00
TOTAL	69,077,411	0.00	90,308,926	0.00	90,308,926	0.00	90,308,926	0.00
TOTAL - PD	69,077,411	0.00	90,308,926	0.00	90,308,926	0.00	90,308,926	0.00
PROGRAM-SPECIFIC PHARMACY REIMBURSEMENT ALLOWAN	69,077,411	0.00	90,308,926	0.00	90,308,926	0.00	90,308,926	0.00
CORE								
PHARMACY FRA						<del></del> -		
Budget Object Summary Fund	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Unit								

	-		

#### **CORE DECISION ITEM**

**Department: Social Services** 

Division: MO HealthNet

Core: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

**Budget Unit: 90542C** 

	·	FY 2012 Budg	get Request			FY	2012 Governor's	<b>Recommendation</b>	on
	GR	Federal	Other	Total	Γ	GR	Federal	Other	Total
PS					PS				
EE			00 000 000	00 000 000	EE			00 000 000	00 200 000
PSD TRF			90,308,926	90,308,926	E PSD TRF			90,308,926	90,308,926
Total _			90,308,926	90,308,926	_			90,308,926	90,308,926
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	T 01	0	
	budgeted in Hous	se Bill 5 except for	certain fringes bu	dgeted directly		budgeted in Ho	ouse Bill 5 except	for certain fringes	budgeted

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

to MoDOT, Highway Patrol, and Conservation.

Note: An "E" is requested for the Pharmacy Reimbursement Allowance Fund.

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

Note: An "E" is requested for the Pharmacy Reimbursement Allowance Fund.

#### 2. CORE DESCRIPTION

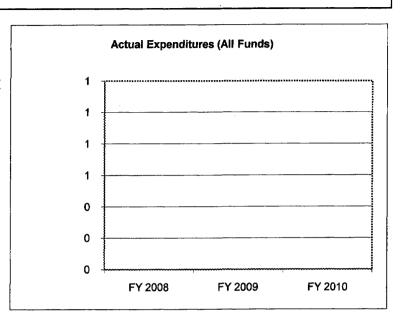
This core request is for ongoing funding for payments for pharmacy services for Title XIX participants. Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Federal Reimbursement Allowance under the Title XIX of the Social Security Act as General Revenue equivalent. Pharmacies are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, earns federal dollars. These earnings fund this PFRA program appropriation and the Pharmacy appropriation.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy Federal Reimbursement Allowance (PFRA) Program

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)				90,308,926 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)				N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A
	(1)	(1)	(1)	



#### NOTES:

Estimated "E" appropriation for Pharmacy Reimbursement Allowance fund appropriation.

(1) The PFRA program was funded through the Pharmacy appropriation prior to FY11.

#### **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

PHARMACY FRA

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	ĺ
TAFP AFTER VETOES							
	PD	0.00	(	0	90,308,926	90,308,926	
	Total	0.00	(	0	90,308,926	90,308,926	
DEPARTMENT CORE REQUEST							•
	PD	0.00	C	0	90,308,926	90,308,926	
	Total	0.00		0	90,308,926	90,308,926	
GOVERNOR'S RECOMMENDED	CORE						
	PD	0.00	C	0	90,308,926	90,308,926	
	Total	0.00	C	0	90,308,926	90,308,926	•

FY12 Department of Social Services Report #10  DECISION ITEM DET									
Budget Unit	FY 2010	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011	FY 2012	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE	
Decision Item  Budget Object Class	ACTUAL DOLLAR			BUDGET FTE	DEPT REQ DOLLAR				
PHARMACY FRA	DOLLAN		DOLLAR		DOLLAR		D 0 = 2 11 1		
PROGRAM DISTRIBUTIONS	69,077,411	0.00	90,308,926	0.00	90,308,926	0.00	90,308,926	0.00	
TOTAL - PD	69,077,411	0.00	90,308,926	0.00	90,308,926	0.00	90,308,926	0.00	
GRAND TOTAL	\$69,077,411	0.00	\$90,308,926	0.00	\$90,308,926	0.00	\$90,308,926	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	
OTHER FUNDS	\$69,077,411	0.00	\$90,308,926	0.00	\$90,308,926	0.00	\$90.308.926	0.00	

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

Program is found in the following core budget(s): Pharmacy Federal Reimbursement Allowance (PFRA)

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides enhanced dispensing payments.

Pharmacies are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, earns federal dollars. These earnings fund the PFRA program. This program provides funding to pay enhanced dispensing fees to pharmacies using the Pharmacy Federal Reimbursement Allowance Fund as a General Revenue equivalent.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 338.500; Federal law: Social Security Act Section 1903(w); Federal Regulation: 42 CFR 433 Subpart B

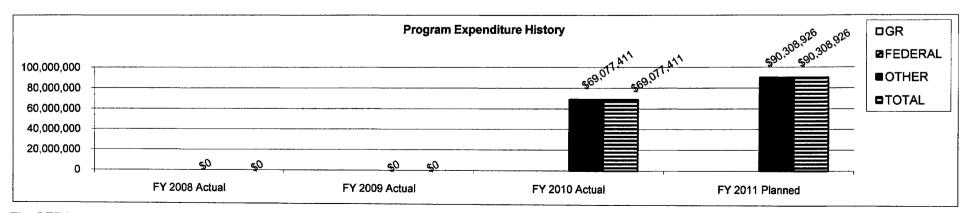
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

#### 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



The PFRA was requested as a new section in FY11. Previous expenditures are included in the Pharmacy program expenditure history.

6.	What are	the sources of	f the "Other '	'funds?

Pharmacy Federal Reimbursement Allowance (0144)

## 7a. Provide an effectiveness measure.

## 7b. Provide an efficiency measure.

Pharmacy FRA Tax Assessments Revenues Obtained to Draw Federal Dollars						
SFY Assessments						
2008	\$40.5 mil					
2009 \$39.8 mil						
2010 \$67.9 mil						
2011 \$99.3 mil estimated						
2012	\$99.3 mil estimated					
2013	\$99.3 mil estimated					

## 7c. Provide the number of clients/individuals served, if applicable.

## 7d. Provide a customer satisfaction measure, if available.

FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	1,821,591	0.00	2,700,000	0.00	2,700,000	0.00	2,700,000	0.00
TITLE XIX-FEDERAL AND OTHER	1,556,987	0.00	2,800,000	0.00	2,800,000	0.00	2,800,000	0.00
TOTAL - EE	3,378,578	0.00	5,500,000	0.00	5,500,000	0.00	5,500,000	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	161,499,522	0.00	203,668,957	0.00	203,668,957	0.00	200,026,361	0.00
TITLE XIX-FEDERAL AND OTHER	320,382,154	0.00	381,207,708	0.00	381,207,708	0.00	381,207,708	0.00
THIRD PARTY LIABILITY COLLECT	1,906,107	0.00	1,906,107	0.00	1,906,107	0.00	1,906,107	0.00
HEALTH INITIATIVES	1,210,118	0.00	1,247,544	0.00	1,247,544	0.00	1,247,544	0.00
HEALTHY FAMILIES TRUST	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00
TOTAL - PD	486,038,935	0.00	589,071,350	0.00	589,071,350	0.00	585,428,754	0.00
TOTAL	489,417,513	0.00	594,571,350	0.00	594,571,350	0.00	590,928,754	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	843,211	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	Ō	0.00	1,455,619	0.00	Ō	0.00
TOTAL - PD	0	0.00	0	0.00	2,298,830	0.00	0	0.00
TOTAL	0	0.00	0	0.00	2,298,830	0.00	0	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	9,248,978	0.00	6,461,314	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	Ō	0.00	15,966,339	0.00	11,197,374	0.00
TOTAL - PD	0	0.00	0	0.00	25,215,317	0.00	17,658,688	0.00
TOTAL	0	0.00	0	0.00	25,215,317	0.00	17,658,688	0.00

im\_disummary

# DECISION ITEM SUMMARY

Budget Object Summary Fund	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
PHYSICIAN RELATED PROF								
FMAP Adjustment - 1886017							1,523,088	
PROGRAM-SPECIFIC		0 0.00				0.00		0.00
TITLE XIX-FEDERAL AND OTHER			0	0.00	0			
TOTAL - PD	<del></del>	0.00	0	0.00	0	0.00	1,523,088	0.00
TOTAL		0.00	0	0.00	0	0.00	1,523,088	0.00
GRAND TOTAL	\$489,417,51	3 0.00	\$594,571,350	0.00	\$622,085,497	0.00	\$610,110,530	0.00

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90544C

**Division: MO HealthNet** 

Core: Physician, Nurse Practitioner, and Related Professionals

1.	CORE	FINANCIAL	SUMMARY
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•		FY 2012 Budg	et Request			FY 2012 Governor's Recommendation			
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS	-		· · · · · · · · · · · · · · · · · · ·		PS				
EE	2,700,000	2,800,000		5,500,000	EE	2,700,000	2,800,000		5,500,000
PSD	203,668,957	381,207,708	4,194,685	589,071,350	PSD	200,026,361	381,207,708	4,194,685	585,428,754
TRF					TRF				
Total	206,368,957	384,007,708	4,194,685	594,571,350	Total	202,726,361	384,007,708	4,194,685	590,928,754
	<del>12 10 </del>					**************************************			
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringes	s budgeted in Hou	ise Bill 5 except fo	or certain fringes b	oudgeted directly
to MoDOT, Hi	ighway Patrol, and	d Conservation.		

| Est. Fringe | 0 | 0 | 0 | 0 | 0 | Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Third Party Liability Collections Fund (TPL) (0120)

Health Initiatives Fund (HIF) (0275) Healthy Families Trust Fund (0625) Other Funds: Third Party Liability Collections Fund (TPL) (0120)

Health Initiatives Fund (HIF) (0275) Healthy Families Trust Fund (0625)

### 2. CORE DESCRIPTION

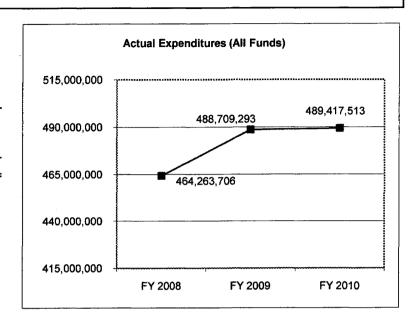
This core request is for the ongoing funding for professional services provided to MO HealthNet participants by physicians, nurse practitioners, clinics, lab and x-ray facilities, nurse midwives, podiatrists, certified registered nurse anesthetists, anesthesiologist assistants, independent diagnostic testing facilities, rural health clinics, federally qualified health centers, psychologists, professional counselors, and licensed clinical social workers.

## 3. PROGRAM LISTING (list programs included in this core funding)

Physician, nurse practitioner and other related professionals.

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr
Appropriation (All Funds)	480,762,260	488,755,007	492,805,063	594,571,350
Less Reverted (All Funds)		(37,426)	(1,237,426)	N/A
Budget Authority (All Funds)	480,762,260	488,717,581	491,567,637	N/A
Actual Expenditures (All Funds)	464,263,706	488,709,293	489,417,513	N/A
Unexpended (All Funds)	16,498,554	8,288	2,150,124	N/A
Unexpended, by Fund:				
General Revenue	6,762,076	3,151	11	N/A
Federal	9,736,478	5,137	2,150,113	N/A
Other	0	0	0	N/A
		(1)	(2) (3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### **NOTES:**

- (1) Expenditures of \$22,501,730 were paid from the Supplemental Pool.
- (2) Expenditures of \$89,692,366 were paid from the Supplemental Pool. Used \$3,064 in General Revenue to pay DESE services.
- (3) Agency reserve of \$2,150,084 in Federal Fund.

#### 4. FINANCIAL HISTORY

Cost Per E	ligible - Per Membe	r Per Month (PMPM)	
Physician	Acute Care	Physician Percentage of	

	Physician PMPM***	Acute Care PMPM	Total PMPM	Physician Physician Percentage of Acute Total
PTD	\$137.05	\$911.73	\$1,541.10	15.03% 8.89%
Seniors	\$56.72	\$335.72	\$1,357.76	16.90% 4.18%
Custodial Parents	537.83	\$399.46	\$410.83	9.47% 9.21%
Children**	\$15.31	\$245.08	\$267.46	6.25% 5.72%
Pregnant Women	\$126.34	\$523.13	\$529.42	24.15% 23.86%

Claims only from FY 10 Table 23 Medical Statistics.

Physician Related Spending by Large Eligibility Group Pregnant Women, 7.32% Children. 25.63% Persons with Disabilities, 51.62% Custodial Parents, 6.31% Seniors, 9.12%

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for physician related services, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient. physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments. Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does not include nursing facilities, in-home services, mental health services and state institutions. By comparing the physician PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for physician related services. It provides a snapshot of what eliqibility groups are receiving physician related services, as well as the populations impacted by program changes.

<sup>\*\*</sup> CHIP eligibles not included

<sup>\*\*\*</sup> Includes EPSDT services

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**PHYSICIAN RELATED PROF** 

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	
TAFP AFTER VET	OES				*****			
		EE	0.00	2,700,000	2,800,000	0	5,500,000	
		PD	0.00	203,668,957	381,207,708	4,194,685	589,071,350	_
		Total	0.00	206,368,957	384,007,708	4,194,685	594,571,350	-
DEPARTMENT CO	RE REQUEST							
		EE	0.00	2,700,000	2,800,000	0	5,500,000	
		_PD	0.00	203,668,957	381,207,708	4,194,685	589,071,350	
		Total	0.00	206,368,957	384,007,708	4,194,685	594,571,350	
GOVERNOR'S AD	DITIONAL COR	RE ADJUST	MENTS					
Core Reduction	1996 8196	PD	0.00	(776,424)	0	0	(776,424)	
Core Reduction	2002 8196	PD	0.00	(1,343,084)	0	0	(1,343,084)	
Core Reduction	2209 8196	PD	0.00	(1,523,088)	0	0	(1,523,088)	
NET C	OVERNOR CH	ANGES	0.00	(3,642,596)	0	0	(3,642,596)	
GOVERNOR'S RE	COMMENDED	CORE						
		ΕE	0.00	2,700,000	2,800,000	0	5,500,000	
		PD	0.00	200,026,361	381,207,708	4,194,685	585,428,754	
		Total	0.00	202,726,361	384,007,708	4,194,685	590,928,754	

FY12 Department of Social Services Report #10

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Budget Unit	FY 2010	FY 2010	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012	FY 2012 GOV REC DOLLAR	FY 2012
Decision Item	ACTUAL	ACTUAL				DEPT REQ		GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE		FTE
PHYSICIAN RELATED PROF								
CORE								
PROFESSIONAL SERVICES	3,378,578	0.00	5,500,000	0.00	5,499,998	0.00	5,499,998	0.00
MISCELLANEOUS EXPENSES	0	0.00	0	0.00	2	0.00	2	0.00
TOTAL - EE	3,378,578	0.00	5,500,000	0.00	5,500,000	0.00	5,500,000	0.00
PROGRAM DISTRIBUTIONS	486,038,935	0.00	589,071,350	0.00	589,071,350	0.00	585,428,754	0.00
TOTAL - PD	486,038,935	0.00	589,071,350	0.00	589,071,350	0.00	585,428,754	0.00
GRAND TOTAL	\$489,417,513	0.00	\$594,571,350	0.00	\$594,571,350	0.00	\$590,928,754	0.00
GENERAL REVENUE	\$163,321,113	0.00	\$206,368,957	0.00	\$206,368,957	0.00	\$202,726,361	0.00
FEDERAL FUNDS	\$321,939,141	0.00	\$384,007,708	0.00	\$384,007,708	0.00	\$384,007,708	0.00
OTHER FUNDS	\$4,157,259	0.00	\$4,194,685	0.00	\$4,194,685	0.00	\$4,194,685	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Physician, Nurse Practitioner, and Related Professionals Program is found in the following core budget(s): Physician Related

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program provides payment for professional services provided to MO HealthNet participants by physicians, clinics, lab & x-ray facilities, nurse midwives, podiatrists, certified registered nurse anesthetists, anesthesiologist assistants, independent diagnostic testing facilities, rural health clinics, nurse practitioners, federally qualified health centers, psychologists, professional counselors, and licensed clinical social workers.

A general description of each of the MO HealthNet provider groups in the Physician Related Program includes the following:

<u>Physician</u> - Proper health care is essential to the general health and well-being of MO HealthNet participants. Physicians, including medical doctors and doctors of osteopathy, are typically the front line providers where MO HealthNet participants enter the state's health care system. They provide a myriad of health care services and tie the various parts of the health care system together.

Physician services are diagnostic, therapeutic, rehabilitative or palliative procedures provided by, and under the supervision of, a licensed physician who is practicing within the scope of practice allowed and is enrolled in the MO HealthNet program.

Physicians enrolled in the MO HealthNet program are identified by the specialty of medicine they practice. Specialties include: allergy immunology; anesthesiology; dermatology; emergency medicine; family practice; general practice; general surgery; internal medicine; laryngology; nuclear medicine; neurological surgery; obstetrics/gynecology; ophthalmology; otology; otology; orthopedic surgery; pathology; pediatrics; physical medicine and rehabilitation; plastic surgery; preventive medicine; proctology; psychiatry; neurology; radiation therapy; radiology; rectal and colon surgery; rehabilitative medicine; rhinology; thoracic surgery; urology; and cardiology.

The services of a physician may be administered in a myriad of settings including the physician's office, the participant's home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility.

Services rendered by a physician, including appropriate supplies, are billable by the physician only where there is direct personal supervision by the physician. This applies to services rendered by auxiliary personnel employed by the physician and working under his/her on-site supervision such as nurses, non-physician anesthetists, technicians, therapists and other aides.

The majority of services provided by a physician are reimbursed on a fee schedule basis although a few services are reimbursed on a manual basis, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case. Certain procedures, such as organ transplants, are available only on a prior approval basis.

The Early Periodic Screening Diagnosis Treatment /Healthy Children and Youth (EPSDT/HCY) program provides services to MO HealthNet participants who are infants, children, and youth under the age of 21 years with a primary and preventive care focus. Full, partial and interperiodic health screenings, medical and dental examinations, immunizations and medically necessary treatment services are covered. The goal of the MO HealthNet program is for each child to be healthy. This is achieved by the primary care provider who manages a coordinated, comprehensive, continuous health care program to address the child's primary health care needs. The program provides early and periodic medical or dental screening, diagnosis, and treatment to correct or improve defects and chronic conditions found during the screening.

<u>Clinic</u> - Clinics offer preventive, diagnostic, therapeutic, rehabilitative or palliative services that are furnished by a facility that is not part of a hospital but is organized and operated to provide medical care to outpatients. Services furnished to outpatients include those furnished at the clinic by, or under the direction of, a physician and those services furnished outside the clinic by clinic personnel under the direction of a physician.

MO HealthNet reimbursement is made solely to the clinic. All health care professionals are employed by the clinic. Each provider of health care services through the clinic, in addition to being employed by the participating clinic, must be a MO HealthNet provider. Health care providers at a clinic can include physicians, nurse practitioners, radiologists and other health professionals whose services are offered at the clinic.

<u>Lab & X-Ray</u> - Laboratory and x-ray facilities provide examination and radiology services under the Physician program. Laboratories perform examinations of body fluids, tissues or organs by the use of various methods employing specialized equipment such as electron microscopes and radio-immunoassay. A clinical laboratory is a laboratory where microbiological, serological, chemical, hematological, radio bioassay, cytological, immunohematological or pathological examinations are performed on material derived from the human body to provide information for the diagnosis, prevention or treatment of a disease or assessment of a medical condition. Operations of a laboratory are generally directed by a pathologist.

X-ray facilities offer radiological services in which x-rays or rays from radioactive substances are used for diagnostic or therapeutic purposes. Such services include, but are not limited to radium therapy; the use of radioisotopes for diagnostic or therapeutic purposes for example, in nuclear medicine; diagnostic tests such as aortograms, pyelograms, arteriograms and venticulograms; imaging services; x-rays; and diagnostic ultra-sounds. These operations are generally directed by a radiologist.

Both laboratories and x-ray clinics are reimbursed on a fee schedule basis.

<u>Nurse Midwife</u> - Nurse Midwife services are those services related to the management and provision of care to a pregnant woman and her unborn/newborn infant by a certified nurse midwife. These services may be provided throughout the maternity cycle which includes pregnancy, labor and delivery and the initial postpartum period not to exceed six weeks. Covered services include antepartum care, delivery, post-partum care, newborn care, office visits, laboratory services and other services within the scope of practice of a nurse midwife. If there is any indication the maternity care is not for a normal uncomplicated delivery, the nurse midwife must refer the case to a physician.

Nurse midwives may also provide care outside of the maternity cycle such as family planning, counseling, birth control techniques and well-woman gynecological care including routine pap smears and breast examinations (Section 13605, OBRA 93). Nurse midwife services may also include services to the newborn, age 0 through 2 months and any other MO HealthNet eligible female, age 15 and over.

Services furnished by a nurse midwife must be within the scope of practice authorized by federal and state laws or regulations and, in the case of inpatient or outpatient hospital services or clinic services, furnished by or under the direction of a nurse midwife only to the extent permitted by the facility.

In order to qualify for participation in the MO HealthNet Nurse Midwife program, in addition to provisions required of all MO HealthNet providers, the applicant must hold a valid current license as an advanced practice nurse (RN) in the state of Missouri and be currently certified as a nurse midwife by the American College of Nurse Midwives.

The services of a nurse midwife may be administered in a variety of settings including the provider's office, a hospital (inpatient or outpatient), the home of the participant (delivery and newborn care only) or a birthing center. Reimbursement for nurse midwife services is made on a fee-for-service basis and must be reasonable and consistent with efficiency, economy and quality of care as determined by MO HealthNet. MO HealthNet payment is the lower of the provider's actual billed charge, based on his/her usual and customary charge to the general public for the service, or the MO HealthNet maximum allowable amount per unit of service. The level of reimbursement to the nurse midwife is the same as that reimbursed to a physician for the same procedure.

<u>Podiatry</u> - Podiatrists provide medical, surgical and mechanical services for the foot or any area not above the ankle joint and receive MO HealthNet reimbursement for diagnostic, therapeutic, rehabilitative and palliative services which are within the scope of practice the podiatrist is authorized to perform. Most services provided by a podiatrist are reimbursed on a fee schedule basis although a few services are reimbursed on a manual basis, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case.

The following podiatry services are not covered for adults (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents): trimming of nondystrophic nails; debridement of one to five nails by any method; debridement of six or more nails by any method; partial or complete excision of the nail and nail matrix; and strapping of the ankle and/or foot.

The services of a podiatrist may be administered in the podiatrist's office, the participant's home (or other place of residence such as a nursing facility), a hospital (inpatient/outpatient), a medical clinic or ambulatory surgical care facility.

Certified Registered Nurse Anesthetist (CRNA) - CRNA services are those services related to the introduction and management of a substance into the body by external or internal means that causes loss of sensation with or without loss of consciousness. In order to qualify for participation in the MO HealthNet Certified Registered Nurse Anesthetist program, in addition to provisions required of all MO HealthNet providers, the applicant must hold a valid current license as an advanced practice nurse (RN) or nurse practitioner in the state of Missouri and be currently certified as a CRNA by the Council on Certification of Nurse Anesthetists.

Reimbursement for CRNA services are made on a fee-for-service basis. The services of a CRNA may be administered in the providers' office, a hospital, nursing home or clinic and include the same scope of practice as that of an anesthesiologist. CRNAs are often employed by physicians (anesthesiologists), but are not required to be employed by a physician.

Anesthesiologist Assistants (AA) - Effective February 1, 2007, MO HealthNet began allowing AAs to enroll as MO HealthNet providers. An AA is a person who works under the supervision of a licensed anesthesiologist and provides anesthesia services and related care. An AA shall practice only under the direct supervision of an anesthesiologist who is physically present or immediately available. A supervising anesthesiologist shall be allowed to supervise up to four AAs concurrently, consistent with 42 CFR 415.110. The name and mailing address of the supervising anesthesiologist must be submitted by an AA. An AA must be licensed by the Missouri Board of Healing Arts as set forth in 20 CSR 2150-9 and submit a copy to the MO HealthNet Division. An AA must practice within their scope of practice referenced in Section 334.402, RSMo. Reimbursement for AA services is made on a fee-for-service basis. An AA and a Certified Registered Nurse Anesthetist (CRNA) are not allowed to bill for the same anesthesia service.

Independent Diagnostic Testing Facility (IDTF) - These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

Rural Health Clinic (RHC) - The Rural Health Clinic Services Act of 1977 designated Rural Health Clinics as health care providers. The Act became effective for MO HealthNet reimbursement on July 1, 1978. The Rural Health Clinic Services Act of 1977 extended benefits to cover health care services to under-served rural areas where access to traditional physician care had been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community.

Rural Health Clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area by one of the following definitions:

- An area with a shortage of personal health services under Section 30(b)(3) or 330(b)(3) of the Public Health Service Act (PHS);
- A Health Professional Shortage Area (HPSA) designated under Section 332(a)(1)(A) of the PHS Act;
- An area which includes a population group designated as having a health professional shortage under Section 332(a)(1)(B) of the PHS Act; or
- An area designated by the chief executive officer (Governor) of the State and certified by the Secretary of Health and Human Services as an area with a shortage of personal health services.

In addition to the above criteria, RHCs must meet the additional staffing and health and safety requirements set forth by the Rural Health Clinic Services Act. To be a MO HealthNet RHC, a clinic must be certified by the Public Health Service, be certified for participation in Medicare, and be enrolled as a MO HealthNet provider. The RHC is then designated as either an independent or a provider-based RHC.

In order to be designated a provider-based RHC, the RHC must be an integral and subordinate part of a hospital, skilled nursing facility or home health agency. The provider-based RHC must also be under common licensure, governance and professional supervision with its parent provider. Hospital-based RHCs are reimbursed the lower of 100% of their usual and customary charges or their cost-to-charge ratio. The RHCs that are based in skilled nursing facilities and home health agencies are reimbursed their usual and customary charges multiplied by the lower of the Medicare RHC rate or the rate approved by the MO HealthNet Division.

An independent RHC has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency. They are reimbursed a fee that is calculated either by dividing the lesser of their reasonable costs by their total number of encounters, or by multiplying the Medicare upper- payment limit by the number of MO HealthNet encounters. An annual audit of the Medicare cost report is reviewed by the Institutional Reimbursement Unit (IRU) within the MO HealthNet Division.

<u>Nurse Practitioner</u> - A nurse practitioner, or advanced practice nurse, is one who has had education beyond the basic nursing education and is certified by a nationally recognized professional organization as having a nursing specialty, or who meets criteria for advanced practice nurses established by the Missouri Board of Nursing. The Board of Nursing may promulgate rules specifying which professional nursing organization certifications are to be recognized as advanced practice nurses and may set standards for education, training and experience required for those without such specialty certification to become advanced practice nurses.

Numerous nurse practitioner specialties are recognized such as family, gerontology, clinical, obstetrics/GYN, neonatal, mental health, and certified registered nurse anesthetists. Reimbursement for nurse practitioner services are made on a fee-for-service basis. The level of reimbursement to the nurse practitioner is the same as that reimbursed to a physician for the same procedure. Nurse practitioners, or advanced practical nurses may prescribe medications only through a collaborative agreement with a physician.

Nurse practitioner services involve the performance for compensation of any act which requires substantial specialized education, judgment, and skill based on knowledge and application of principles derived from the biological, physical, social and nursing sciences, including: a) responsibility for the teaching of health care and the prevention of illness to the patient and his/her family; b) assessment, nursing diagnosis, nursing care, and counsel of persons who are ill, injured or experiencing alterations in normal health processes; c) administration of medications and treatments as prescribed by a person licensed in this state to prescribe such medications and treatments; and d) coordination and assistance in the delivery of a plan of health care with all members of the health team.

The services of a nurse practitioner may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. Nurse practitioners are generally employed by physicians, but are not required to be employed by physicians.

<u>Federally Qualified Health Clinic (FQHC)</u> - The FQHC program was established by the Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90). These laws designated certain community-based health care organizations as unique health care providers called Federally Qualified Health Centers. These laws establish a set of FQHC health care services that MO HealthNet and Medicare must cover for those beneficiaries who receive services from the FQHC and require the reimbursement of reasonable cost to the FQHC for such services.

By passing the FQHC legislation, Congress recognized two goals of the FQHC program. They are:

- To provide adequate reimbursement to community-based primary health care organizations (FQHCs) so that they, in turn, may better serve large number of MO HealthNet pariticpants and/or provide more services, thus improving access to primary care.
- To enable FQHCs to use other resources previously subsidizing MO HealthNet to serve uninsured individuals who, although not eligible for MO HealthNet, have a difficult time obtaining primary care because of economic or geographic barriers.

In order to qualify for FQHC status, a facility must receive or be eligible for a grant under Section 329, 330 or 340 of the Public Health Service Act, meet the requirements for receiving such a grant, or have been a Federally Funded Health Center as of January 1, 1990.

FQHC services are initially reimbursed at 97% of the billed MO HealthNet FQHC covered charges. An annual audit of the MO HealthNet cost report is performed by the Institutional Reimbursement Unit (IRU) to determine reasonable costs. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide MO HealthNet FQHC covered services.

<u>Psychologists, Professional Counselors, and Licensed Clinical Social Workers</u> - Medically necessary mental health services are available to MO HealthNet eligible children under the age of 21. Those services can be provided by psychologists, professional counselors and licensed clinical social workers. An adult may receive mental health services from a psychologist, but may only receive them from a licensed clinical social worker if they are a member of a FQHC or RHC. Licensed Professional Counselors may not provide services to adults in any setting.

Psychologists and provisionally licensed psychologists provide testing and assessment, individual, family and group therapy and crisis intervention services to children and adults.

Licensed Clinical Social Workers, provisionally Licensed Clinical Social Workers, Licensed Professional Counselors, and provisionally Licensed Professional Counselors provide assessment, individual, family and group therapy and crisis intervention services to children. Licensed Clinical Social Workers and provisionally Licensed Clinical

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.153, 208.166; Federal law: Social Security Act Sections 1905(a)(2), (3), (5), (6), (9), (17), (21); 1905(r) and 1915(d); Federal regulations: 42 CFR 440.210, 440.500, 412.113(c) and 441 Subpart B.

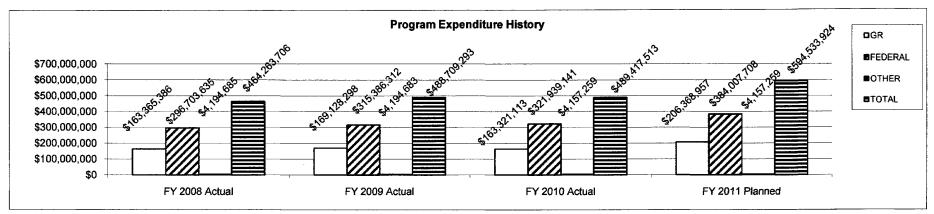
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

### 4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program. (Some services are optional: podiatry, clinics, nurse practitioners and certified nurse anesthetist.)

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Reverted: \$37,426 Other Funds

### 6. What are the sources of the "Other" funds?

Third Party Liability Collections Fund (0120), Health Initiatives Fund (0275) and Healthy Families Trust Fund (0625).

#### 7a. Provide an effectiveness measure.

Effectiveness Measure: Increase the ratio of participants who receive EPSDT screenings. The ratio has increased by 1% in each of the last three years.

The Healthy Children and Youth (HCY) Program in Missouri is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program is also known as Early Periodic Screening, Diagnosis and Treatment (EPSDT). The HCY Program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening.

	EPSDT Participant Ratio									
*Federal Fiscal Year	Participants who should have received a screening	Participants who received at least one screening	Participant Ratio							
2008	397,792	275,618	69%							
2009	398,346	278,622	70%							
2010	416,081	297,060	71%							
**2011	425,633	308,508	72%							
**2012	435,404	320,397	74%							
**2013	445,400	332,744	75%							

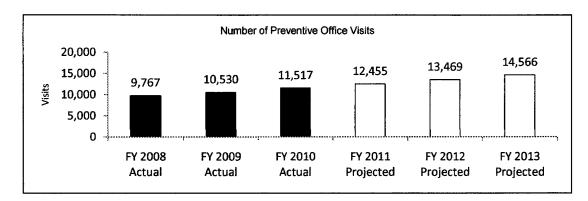
<sup>\*</sup>Based on federal fiscal year in which report was submitted to CMS.

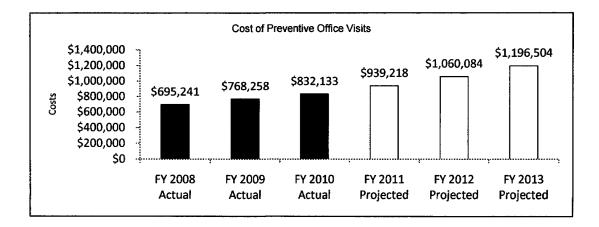
<sup>\*\*</sup>Projected

### 7b. Provide an efficiency measure.

Efficiency Measure: Increase the number of adult preventive office visits. In state fiscal year 2010, the number of adult preventive office visits increased by 9% over the number in state fiscal year 2009.

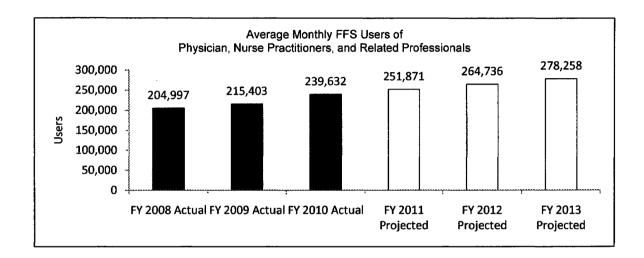
MO HealthNet pays for one "preventive" examination/physical. Preventive visits are important for routine evaluation and management of adults for the maintenance of good health and a reduction in risk factors that could lead to more expensive health care costs.





## 7c. Provide the number of clients/individuals served, if applicable.

Proper health care is essential to the general health and well-being of MO HealthNet participants. Physician related services are typically the front line where MO HealthNet participants enter the state's health care system. Services are provided by physicians, psychologists, nurse practitioners, podiatrists, clinics, and x-ray and lab facilities.



7d. Provide a customer satisfaction measure, if available.



FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DENTAL								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	4,286,170	0.00	6,300,475	0.00	6,300,475	0.00	6,300,475	0.00
TITLE XIX-FEDERAL AND OTHER	9,402,308	0.00	12,693,950	0.00	12,693,950	0.00	12,653,860	0.00
HEALTH INITIATIVES	69,027	0.00	71,162	0.00	71,162	0.00	71,162	0.00
HEALTHY FAMILIES TRUST	848,773	0.00	848,773	0.00	848,773	0.00	848,773	0.00
TOTAL - PD	14,606,278	0.00	19,914,360	0.00	19,914,360	0.00	19,874,270	0.00
TOTAL	14,606,278	0.00	19,914,360	0.00	19,914,360	0.00	19,874,270	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	. 0	0.00	27.886	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	ő	0.00	ő	0.00	48,138	0.00	Ō	0.00
TOTAL - PD	0	0.00	0	0.00	76,024	0.00		0.00
TOTAL	0	0.00	0	0.00	76,024	0.00	0	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	305,869	0.00	192,927	0.00
TITLE XIX-FEDERAL AND OTHER	Ö	0.00	ő	0.00	528,017	0.00	334,340	0.00
TOTAL - PD	0	0.00		0.00	833,886	0.00	527,267	0.00
TOTAL	0	0.00		0.00	833,886	0.00	527,267	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	40,090	0.00
TOTAL - PD	0	0.00		0.00	0	0.00	40,090	0.00
TOTAL	0	0.00	0	0.00	0	0.00	40,090	0.00
GRAND TOTAL	\$14,606,278	0.00	\$19,914,360	0.00	\$20,824,270	0.00	\$20,441,627	0.00

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#### **CORE DECISION ITEM**

**Department: Social Services** 

Division: MO HealthNet

Core: Dental

**Budget Unit: 90546C** 

		FY 2012 Budg	et Request			FY 2012 Governor's Recommendation					
	GR	Federal	Other	Total		GR	Federal	Other	Total		
PS EE PSD TRF	6,300,475	12,693,950	919,935	19,914,360	PS EE PSD TRF	6,300,475	12,653,860	919,935	19,874,270		
Total =	6,300,475	12,693,950	919,935	19,914,360	Total	6,300,475	12,653,860	919,935	19,874,270		
FTE				0.00	FTE				0.00		
Est. Fringe	0	0.1	0.1	0	Est. Fringe	0	0	0	0		

Other Funds: Health Initiatives Fund (HIF) (0275)

to MoDOT, Highway Patrol, and Conservation.

Healthly Families Trust Fund (0625)

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)

Healthly Families Trust Fund (0625)

### 2. CORE DESCRIPTION

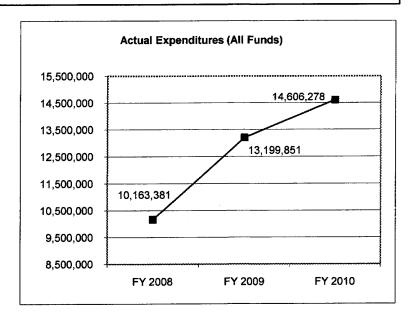
This core request is for the continued funding of the dental fee-for-service program. Funding provides dental services for children, pregnant women, the blind, and nursing facility residents in the defined non-managed care MO HealthNet population.

## 3. PROGRAM LISTING (list programs included in this core funding)

**Dental Services** 

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	10,163,381	13,201,986	14,608,413	19,914,360
Less Reverted (All Funds)	0	(2,135)	(2,135)	N/A
Budget Authority (All Funds)	10,163,381	13,199,851	14,606,278	N/A
Actual Expenditures (All Funds)	10,163,381	13,199,851	14,606,278	N/A
Unexpended (All Funds)	. 0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### **NOTES:**

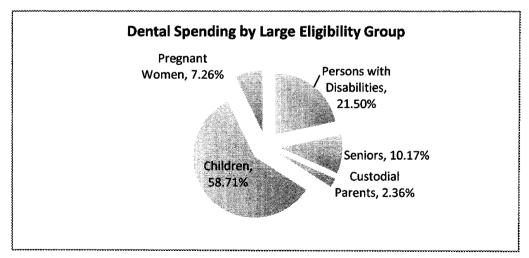
- (1) Expenditures of \$3,700,340 were paid from the Supplemental Pool.
- (2) Expenditures of \$1,902,556 were paid from the Supplemental Pool.
- (3) Expenditures of \$2,523,921 were paid from the Supplemental Pool.

#### 4. FINANCIAL HISTORY

	Cost Per Eligible - Per Member Per Month (PMPM)											
	Dental PMPM*	Acute Care PMPM	Total PMPM	Dental Dental Percentage of Acute Total								
PTD	\$1.54	\$911.73	\$1,541.10	0.17% 0.10%								
Seniors	\$1.51	\$335.72	\$1,357.76	0.45% 0.11%								
<b>Custodial Parents</b>	\$0.33	\$399.46	\$410.83	0.08% 0.08%								
Children**	\$1.45	\$245.08	\$267.46	0.59% 0.54%								
Pregnant Women	\$2.88	\$523.13	\$529.42	0.55% 0.54%								

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for Fiscal Year 2010

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for dental care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, inhome services, mental health services and state institutions. By comparing the dental PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for dental services. It provides a snapshot of what eligibility groups are receiving the services, as well as the populations impacted by program changes.

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**DENTAL** 

## 5. CORE RECONCILIATION DETAIL

		Budget	gen agus gen			0.0	<b>T</b> . 4 . 4
		Class	FTE	GR	Federal	Other	Total
TAFP AFTER VET	OES						
		PD	0.00	6,300,475	12,693,950	919,935	19,914,360
		Total	0.00	6,300,475	12,693,950	919,935	19,914,360
DEPARTMENT CO	RE REQUEST						
		PD	0.00	6,300,475	12,693,950	919,935	19,914,360
		Total	0.00	6,300,475	12,693,950	919,935	19,914,360
GOVERNOR'S AD	DITIONAL COR	E ADJUST	MENTS				
Core Reduction	2217 8199	PD	0.00	0	(40,090)	0	(40,090)
NET G	OVERNOR CH	ANGES	0.00	0	(40,090)	0	(40,090)
GOVERNOR'S RE	COMMENDED	CORE					
		_ PD	0.00	6,300,475	12,653,860	919,935	19,874,270
		Total	0.00	6,300,475	12,653,860	919,935	19,874,270

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
DENTAL									
CORE									
PROGRAM DISTRIBUTIONS	14,606,278	0.00	19,914,360	0.00	19,914,360	0.00	19,874,270	0.00	
TOTAL - PD	14,606,278	0.00	19,914,360	0.00	19,914,360	0.00	19,874,270	0.00	
GRAND TOTAL	\$14,606,278	0.00	\$19,914,360	0.00	\$19,914,360	0.00	\$19,874,270	0.00	
GENERAL REVENUE	\$4,286,170	0.00	\$6,300,475	0.00	\$6,300,475	0.00	\$6,300,475	0.00	
FEDERAL FUNDS	\$9,402,308	0.00	\$12,693,950	0.00	\$12,693,950	0.00	\$12,653,860	0.00	
OTHER FUNDS	\$917,800	0.00	\$919,935	0.00	\$919,935	0.00	\$919,935	0.00	

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#### PROGRAM DESCRIPTION

Department: Social Services Program Name: Dental

Program is found in the following core budget(s): Dental

### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payment for dental services for fee-for-service MO HealthNet participants eligible for dental services.

Dental services are typically those diagnostic, preventive and corrective procedures provided by a licensed dentist or dental hygienist performing within his/her scope of practice. The dentist must be enrolled in the MO HealthNet program. Generally, dental services include: treatment of the teeth and associated structure of the oral cavity; preparation, fitting and repair of dentures and associated appliances; and treatment of disease, injury or impairments that affect the general oral health of a participant.

To participate in the MO HealthNet program, a dentist must be licensed by the Missouri Dental Board and have a signed Title XIX Participation Agreement. The services of a dentist may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. The fees paid to the provider are based on maximum allowable amounts identified on a fee schedule. Prior authorization is required for certain services, such as orthodontic treatment, composite resin crowns, metallic and porcelain/ceramic inlay restorations, high noble metal crowns, etc.

Since September 1, 2005, MO HealthNet only covers dental services for adults (age 21 and over) (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents) if the dental care is related to trauma of the mouth, jaw, teeth or other contiguous sites as a result of injury or for the treatment of a medical condition without which the health of the individual would be adversely affected. Treatment for a medical condition requires a written referral from the participant's physician stating that the absence of dental treatment would adversely affect a stated pre-existing medical condition. Dental services for children ages 20 and under and individuals under a category of assistance for pregnant women, the blind or nursing facility residents remain unchanged.

Covered services under the dental program include, but are not limited to, the following: examinations; prophylaxis; fluoride treatments; extractions; anesthesia; crowns; injections; oral surgery; periodontal treatment (in limited cases); pulp treatment; restoration; root canal therapy and x-rays. Orthodontic services, the field of dentistry associated with the correction of abnormally positioned or misaligned teeth, are available only to those eligibles age 20 and under for the most severe malocclusions. Dentures (full or partial), denture adjustments or repairs, and denture duplication or relines are covered only for participants under a category of assistance for pregnant women, the blind, nursing facility residents or children 20 and under.

Senate Bill 577 (94th General Assembly) allowed for coverage of medically necessary dental services for adults if funds were appropriated; however no funding has been appropriated for these services.

A copayment, a portion of the providers' charges paid by the participant, is required on many dental services. Participants under age 19, hospice participants, participants who reside in nursing facilities, residential care facilities, psychiatric hospitals or adult boarding homes, and participants age 18-21 in foster care are exempt from copayments. The copayment, in accordance with title 42 Code of Federal Regulations part 447.54, is based on the lesser of the provider's usual charge for the service or the Maximum Allowable Amount. The copayment is \$.50 for charges of \$10.00 or less, \$1.00 for \$10.01 to \$25.00, \$2.00 for \$25.01 to \$50.00 and \$3.00 for charges of \$50.01 or more. Reimbursement for services to individuals not subject to the copayment is determined by adding together the maximum allowable amount plus one-half the participant cost share amount listed for the procedure. This formula represents the minimum amount allowed for the procedure code. Reimbursement is made at the lower of the providers billed amount or the maximum allowed less any third-party liability (TPL) amounts.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State Statute: RSMo. 208.152, 208.166; Federal law: Social Security Act Section 1905(a)(10); Federal regulation: 42 CFR 440.100

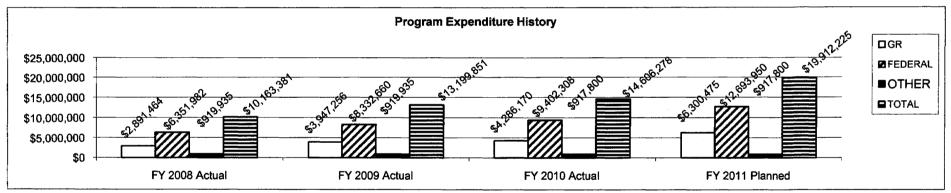
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

### 4. Is this a federally mandated program? If yes, please explain.

Yes for children. No for adults.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Reverted: \$2,135 Other Funds

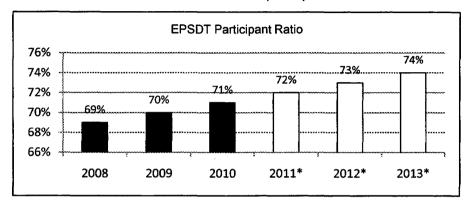
### 6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275) and Healthy Families Trust Fund (0625).

### 7a. Provide an effectiveness measure.

The purpose of the Early Periodic Screening Diagnosis and Treatment/ Healthy Children and Youth (EPSDT/HCY) program is to ensure a comprehensive, preventive health care program for Missouri. The HCY program provides early and periodic medical, dental, vision, and hearing screening, diagnosis and treatment to ameliorate defects and chronic conditions found during the screening. A dental screening is available to children from birth until they become 21 years of age.

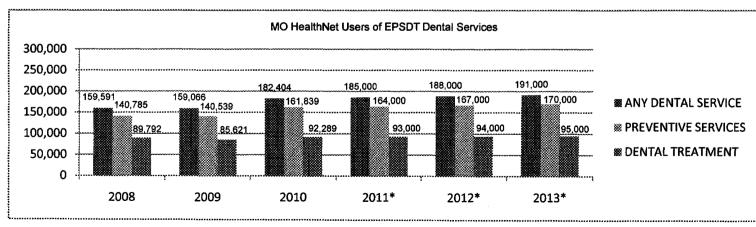
Effectiveness Measure: Increase the EPSDT participant ratio.



\*Data for years 2011 - 2013 is projected.

Note: Based on federal fiscal year reported to CMS - percentage for prior federal fiscal year.

Effectiveness Measure 2: Increase the number of MO HealthNet users of EPSDT preventive dental services.

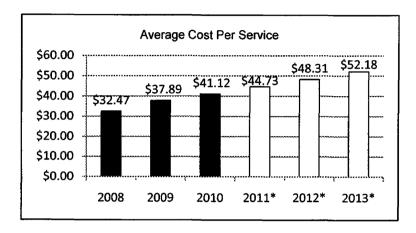


\*Data for years 2011 - 2013 is projected.

Note: Data includes both fee-for-service and Managed Care.

## 7b. Provide an efficiency measure.

Efficiency Measure: Provide adequate dental services to MO HealthNet recipients with the funds appropriated.



<sup>\*</sup>Data for years 2011 - 2013 is projected.

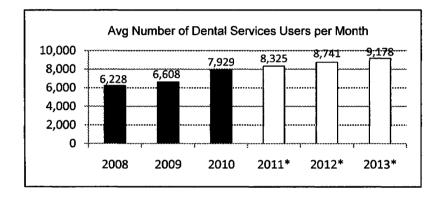
## 7c. Provide the number of clients/individuals served, if applicable.

### Participants:

Dental services are available to all MO HealthNet participants\*. In the regions of the state where managed care has been implemented, children have dental services available through the managed care health plans.

\*Effective September 1, 2005 dental services were available only to children, pregnant women, the blind, and nursing facility residents. Dental services were available to other adults if the dental care was related to trauma or a disease/medical condition. Qualified Medicare Beneficiaries (QMB) were not eligible for dental services.

Senate Bill 577 (94th General Assembly) provided medically necessary dental services for adults; however no appropriations were allocated for these services.



<sup>\*</sup>Data for years 2011 - 2013 is projected.

## 7d. Provide a customer satisfaction measure, if available.

FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit									
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
PREMIUM PAYMENTS									
CORE									
PROGRAM-SPECIFIC									
GENERAL REVENUE	55,028,382	0.00	67,615,042	0.00	67,615,042	0.00	67,604,856	0.0	
TITLE XIX-FEDERAL AND OTHER	102,606,126	0.00	122,788,916	0.00	122,788,916	0.00	122,788,916	0.00	
TOTAL - PD	157,634,508	0.00	190,403,958	0.00	190,403,958	0.00	190,393,772	0.00	
TOTAL	157,634,508	0.00	190,403,958	0.00	190,403,958	0.00	190,393,772	0.00	
MO HealthNet Cost to Continue - 1886012									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	5,706,365	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	9,850,792	0.00	0	0.00	
TOTAL - PD	0	0.00	0	0.00	15,557,157	0.00	0	0.00	
TOTAL	0	0.00	0	0.00	15,557,157	0.00	0	0.00	
MO HealthNet Caseload Growth - 1886007									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	3,052,453	0.00	2,302,886	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	5,269,394	0.00	3,990,873	0.00	
TOTAL - PD	0	0.00	0	0.00	8,321,847	0.00	6,293,759	0.00	
TOTAL	0	0.00	0	0.00	8,321,847	0.00	6,293,759	0.00	
Medicare Premium Increase - 1886008									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	16,292,130	0.00	3,977,661	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	29,227,353	0.00	7,324,323	0.00	
TOTAL - PD	0	0.00	0	0.00	45,519,483	0.00	11,301,984	0.00	
TOTAL	0	0.00		0.00	45,519,483	0.00	11,301,984	0.00	

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# **DECISION ITEM SUMMARY**

GRAND TOTAL	\$157,634,50	8 0.00	\$190,403,958	0.00	\$259,802,445	0.00	\$207,999,701	0.00
TOTAL		0.00	0	0.00	0	0.00	10,186	0.00
TOTAL - PD		0.00	0	0.00	0	0.00	10,186	0.00
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	(	0.00	0	0.00	0	0.00	10,186	0.00
PREMIUM PAYMENTS FMAP Adjustment - 1886017								
Decision Item Budget Object Summary Fund	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE

### **CORE DECISION ITEM**

Department: Social Services
Division: MO HealthNet

Core: Premium Payments

Budget Unit: 90547C

1	CO	RE	FIN	NAN	CIAL	SUM	MARY

		FY 2012 Budg	et Request			FY 2	2012 Governor's I	Recommenda	ition
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD	67,615,042	122,788,916		190,403,958	PSD	67,604,856	122,788,916		190,393,772
TRF					TRF				
Total	<u>67,615,042</u>	122,788,916		190,403,958	Total	67,604,856	122,788,916		190,393,772
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringe:	s budgeted in Hou	ise Bill 5 except fo	or certain fringes b	oudgeted directly
to MoDOT, H	ighway Patrol, and	d Conservation.		_

Est. Fringe	0	0	0	0
Note: Fringes	s budgeted in Ho	use Bill 5 except	for certain fringes	s budgeted
directly to Mo	DOT, Highway P	atrol, and Conser	vation.	

Other Funds:

Other Funds:

### 2. CORE DESCRIPTION

This core request is for the ongoing funding for premium payments for health insurance through the following MO HealthNet programs: Medicare Buy-In and the Health Insurance Premium Payment (HIPP) program.

## 3. PROGRAM LISTING (list programs included in this core funding)

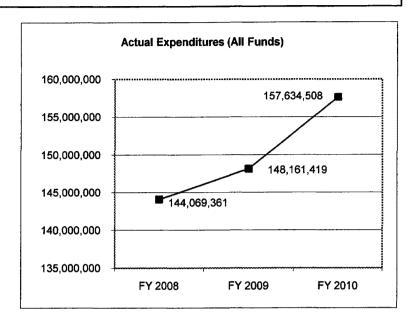
Premium Payments Program:

Medicare Part A and Part B Buy-In

Health Insurance Premium Payment (HIPP) Program

4	FII	VΔ	NC	IΔI	HIST	<b>TORY</b>

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	153,556,238	148,162,552	157,634,508	190,403,958
Less Reverted (All Funds)	(4,000,000)	0	0	N/A
Budget Authority (All Funds)	149,556,238	148,162,552	157,634,508	N/A
Actual Expenditures (All Funds)	144,069,361	148,161,419	157,634,508	N/A
Unexpended (All Funds)	5,486,877	1,133	0	N/A
Unexpended, by Fund:				
General Revenue	337,073	417	0	N/A
Federal	5,149,804	716	0	N/A
Other	0	0	0	N/A
		(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

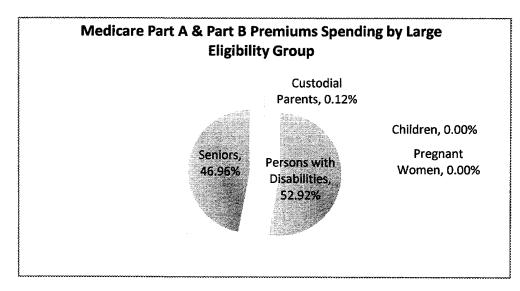
- (1) Expenditures of \$3,578,354 were paid from the Supplemental Pool.
- (2) Expenditures of \$7,214,660 were paid from the Supplemental Pool and \$3,017,827 from HB21 ARRA funding.

#### 4. FINANCIAL HISTORY

	Cost Per I	Eligible - Per Me	mber Per Month	n (PMPM)
	Premium Payments PMPM*	Acute Care PMPM	Total PMPM	Premium Premium Payments Parcentage of Percentage of Acute Total
PTD	\$45.69	\$911.73	\$1,541.10	5.01% 2.96%
Seniors	\$84.03	\$335.72	\$1,357.76	25.03% 6.19%
Custodial Parents	\$0.20	\$399.46	\$410.83	0.05% 0.05%
Children**	\$0.00	\$245.08	\$267.46	0.00% 0.00%
Pregnant Women	\$0.00	\$523.13	\$529.42	0.00% 0.00%

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for Fiscal Year 2010

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for premium payments, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the premium payments PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for the Premium Payments core. It provides a snapshot of what eligibility groups participate, as well as the populations impacted by program changes.

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

PREMIUM PAYMENTS

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total
TAFP AFTER VET	OES				7 000101	<b></b>	1000.
TALL ALTERVE	020	PD	0.00	67,615,042	122,788,916	0	190,403,958
		Total	0.00	67,615,042	122,788,916	0	190,403,958
DEPARTMENT CO	ORE REQUEST			•			
		PD	0.00	67,615,042	122,788,916	0	190,403,958
		Total	0.00	67,615,042	122,788,916	0	190,403,958
GOVERNOR'S AD	DITIONAL COR	E ADJUST	MENTS				
Core Reduction	2210 8200	PD	0.00	(10,186)	0	0	(10,186)
NET	GOVERNOR CH	ANGES	0.00	(10,186)	0	0	(10,186)
GOVERNOR'S RE	COMMENDED (	CORE					
		PD	0.00	67,604,856	122,788,916	0	190,393,772
		Total	0.00	67,604,856	122,788,916	0	190,393,772

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PREMIUM PAYMENTS								
CORE								
PROGRAM DISTRIBUTIONS	157,634,508	0.00	190,403,958	0.00	190,403,958	0.00	190,393,772	0.00
TOTAL - PD	157,634,508	0.00	190,403,958	0.00	190,403,958	0.00	190,393,772	0.00
GRAND TOTAL	\$157,634,508	0.00	\$190,403,958	ò.00	\$190,403,958	0.00	\$190,393,772	0.00
GENERAL REVENUE	\$55,028,382	0.00	\$67,615,042	0.00	\$67,615,042	0.00	\$67,604,856	0.00
FEDERAL FUNDS	\$102,606,126	0.00	\$122,788,916	0.00	\$122,788,916	0.00	\$122,788,916	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: Premium Payments** 

Program is found in the following core budget(s): Premium Payments

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program pays for health insurance premiums for eligible participants. Payments include premiums for Medicare Part A, Medicare Part B and group health insurance premiums provided under the Health Insurance Premium Payment (HIPP) program. Payment of these premiums transfers medical costs from MO HealthNet to Medicare and other payers.

#### Medicare Buy-In

The Medicare Buy-in Program allows states to enroll certain groups of eligible individuals in the Medicare Part A and Part B program and pay their premiums. The purpose of buy-in is to permit the state, as part of its total assistance plan, to provide Medicare protection to certain groups of eligible individuals. It transfers medical costs from the Title XIX Medicaid program to the Medicare program - Title XVIII. This process allows the state to realize cost savings through substitution of Medicare liability for the majority of the medical costs before Medicaid reimburses for the services. There are two types of buy-in agreements - "1634 agreements" and "209b". States with "1634 agreements" have the same Medicaid eligibility standards as the Supplemental Security Income (SSI) program. States with more restrictive eligibility standards for Medicaid are "209b" states. The "209b" states make their own buy-in determinations. Missouri is a "209b" state.

The buy-in for Part A began in FY 90 (September 1989). The Part B buy-in has been a MO HealthNet service since January 1968.

#### **Health Insurance Premium Payment**

The Health Insurance Premium Payment (HIPP) program is a program that pays for the cost of health insurance premiums, coinsurance, and deductibles. The program pays for health insurance for MO HealthNet eligibles when it is "cost effective". "Cost effective" means that it costs less to buy health insurance to cover medical care than to pay for the same services with MO HealthNet funds. Cost effectiveness is determined by comparing the cost of the medical coverage (includes premium payments, coinsurance, and deductibles) with the average cost of each MO HealthNet eligible person in the household. The average cost of each MO HealthNet participant is based on the previous year's MO HealthNet expenditures with like demographic data: age; sex; geographic location (county); type of assistance (MO HealthNet for Families - MAF, Old Age Assistance - OAA, and disabled); and the types of services covered by the group insurance. The HIPP program has been a MO HealthNet program since September 1992.

Provisions of Omnibus Budget Reconciliation Act of 1990 (OBRA 90) require states to purchase group health insurance (such as an employer sponsored insurance) for a MO HealthNet participant (who is eligible to enroll for the coverage) when it is more cost-effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

# 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo 208.153; Federal law: Social Security Act Section 1905(p)(1), 1902(a)(10) and 1906; Federal Regulation: 42 CFR 406.26 and 431.625

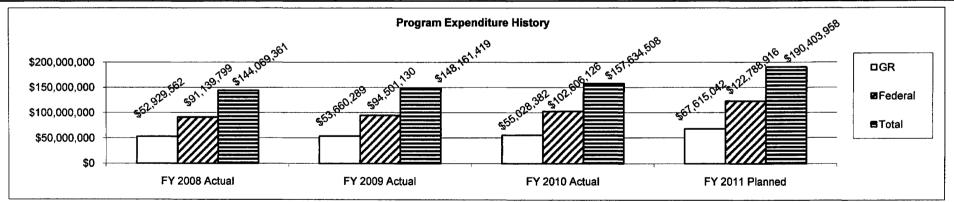
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the annual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

#### 4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

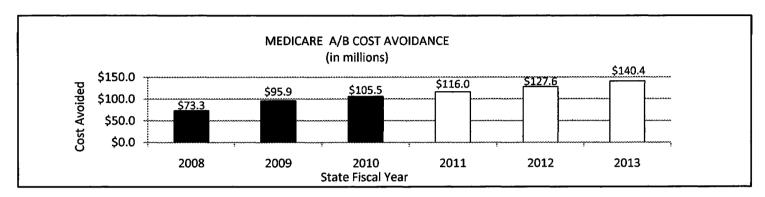


## 6. What are the sources of the "Other" funds?

N/A

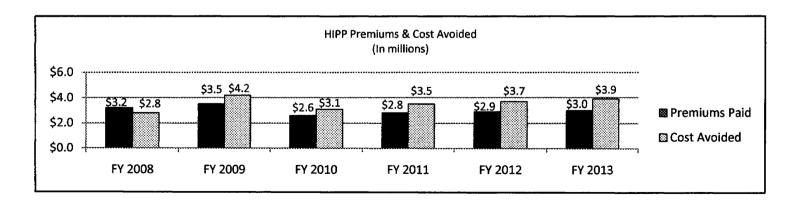
#### 7a. Provide an effectiveness measure.

Effectiveness Measure: Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet avoided over \$105.5 million in SFY 2010 as shown in the chart below.

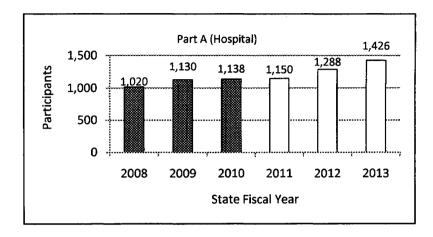


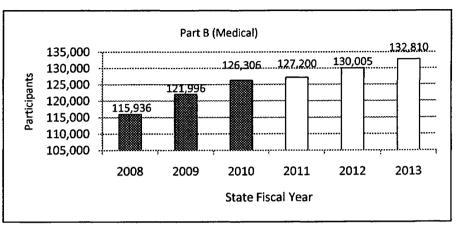
# 7b. Provide an efficiency measure.

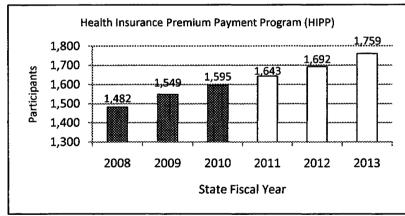
Efficiency Measure: Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for Mo HealthNet eligibles when it is cost effective to do so. In FY10, the MO HealthNet Division paid \$2.6 million for health insurance premiums, coinsurance and deductibles and avoided \$3.1 million in costs.



## 7c. Provide the number of clients/individuals served, if applicable.







Participants:

Part A (Hospital) premium payments can be made for: Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals.

Part B (Medical) premium payments can be made for: Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries.

HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

## 7d. Provide a customer satisfaction measure, if available.

#### NEW DECISION ITEM RANK: 12

Department: Social Services Budget Unit: 90547C **Division: MO HealthNet** DI Name: Medicare Premium Increases DI#: 1886008 1. AMOUNT OF REQUEST FY 2012 Budget Request FY 2012 Governor's Recommendation Other Total GR Federal Other Total GR Federal PS PS EΕ EE 11.301.984 **PSD PSD** 7.324.323 16.292.130 29.227.353 45.519.483 3.977.661 TRF TRF 7,324,323 11.301.984 Total 16.292.130 29,227,353 45,519,483 Total 3.977.661 0.00 FTE 0.00 FTE Est. Fringe Est. Fringe 0 0 0 0 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT. Highway Patrol, and Conservation. directly to MoDOT. Highway Patrol, and Conservation. Other Funds: Other Funds: 2. THIS REQUEST CAN BE CATEGORIZED AS:

# 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

Other:

New Program

Space Request

Program Expansion

Fund Switch

Cost to Continue

Equipment Replacement

NDI SYNOPSIS: Funding is requested for anticipated Medicare Part A and Part B increases.

New Legislation

GR Pick-Up

Pay Plan

Federal Mandate

Federal law mandates that the Medicare Part A and Part B premiums cover a certain percentage of the cost of the Medicare program. Medicare Part A and Part B premiums are adjusted each January. In FY12, Part A premiums are estimated to be \$459 which consists of FY11 actual of \$450 plus an \$9.00 increase. In FY12, Part B premiums are estimated to be \$124.90 (FY11 actual of \$115.40 plus a projected \$9.50 increase for FY12).

The Federal Authority is Social Security Act Section 1905(p)(1), 1902(a)(10), and 1906 and Federal Regulations 42 CFR 406.26 and 431.625. The State Authority is RSMo 208.153.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

This request is for six months of funding for the calendar year 2011 premium increases and six months of funding for the expected premium increases for calendar year 2012.

Projected participants are based on historical data. The projected premium increases are based on the average increases in premiums for the last few years as well as other information sources. The federal matching rate used is 63.29% for three months and 63.33% for nine months. Expenditures for QIs (Qualified Individual) are 100% federally funded. A QI is an individual with income between 120% and 135% of the federal poverty level with assets of \$6,000 per individual and \$9,000 per couple indexed each year according to Consumer Price Index.

Department Request:	Part A	Part B	Ql
Eligibles per month (FY12)	1,288	125,060	4,945
Premium Increase (1/11)	\$20.00	\$34.50	\$34.50
Premium Increase (1/12)	\$18.00	\$24.30	\$24.30
Calendar Year 2011 Increase:			
Average eligibles per month	1,288	125,060	4,945
Premium increase for 2011	\$20.00	\$34.50	\$34.50
Number of months to increase	6	6	6
Projected increase 7/11 - 12/11	154,560	25,887,420	1,023,615
Calendar Year 2012 Increase:			
Average eligibles per month	1,288	125,060	4,945
Premium increase for 2012	\$18.00	\$24.30	\$24.30
Number of months to increase	6	6	6
Projected increase 1/12 - 6/12.	139,104	18,233,748	720,981
Total	\$293,664	\$44,121,168	\$1,744,596

	Total	GR	Federal	
Part A Request	293,664	107,718	185,946	•
Part B Request	44,121,168	16,184,412	27,936,756	
Part B QI	1,104,651		1,104,651	QI Federal only
Total	\$45,519,483	\$16,292,130	\$29,227,353	

Part A	Part B	QI
1,288	125,060	4,945
\$0.00	\$4.90	\$4.90
\$9.00	\$9.50	\$9.50
1,288	125,060	4,945
	\$4.90	\$4.90
6	6	6
0	3,676,764	145,383
1,288	125,060	4,945
\$9.00	\$9.50	\$9.50
6	6	6
69,552	7,128,420	281,865
\$69,552	\$10,805,184	\$427,248
	1,288 \$0.00 \$9.00 1,288 6 0 1,288 \$9.00 6 69,552	1,288 125,060 \$0.00 \$4.90 \$9.00 \$9.50 1,288 125,060 \$4.90 6 6 0 3,676,764 1,288 125,060 \$9.00 \$9.50 6 6

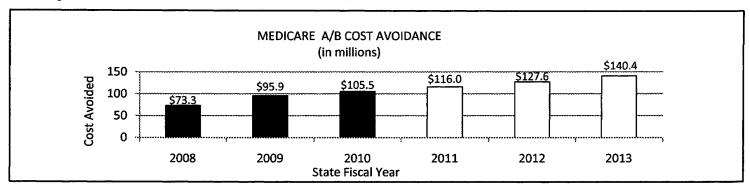
	Total	GR	Federal
Part A Request	69,552	25,422	44,130
Part B Request	10,805,184	3,952,239	6,852,945
Part B QI	427,248	0	427,248 QI Federal 100%
Total	\$11,301,984	\$3,977,661	\$7,324,323

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.										
	Dept Req GR	Dept Req GR	Dept Req FED	Dept Req FED	Dept Req OTHER	Dept Req OTHER	Dept Req TOTAL	Dept Req TOTAL	Dept Req One-Time	
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0	ı	0		0	
Program Distributions	16,292,130		29,227,353		0	l	45,519,483			
Total PSD	16,292,130		29,227,353		0		45,519,483		0	
Transfers Total TRF	•		•		0		•		0	
Iotai i Kr	0		0		U		0		U	
Grand Total	16,292,130	0.0	29,227,353	0.0	0	0.0	45,519,483	0.0	0	
5. BREAK DOWN THE REQUEST BY	BUDGET OBJE	CT CLASS, JOB	CLASS, AND F	JND SOURCE	. IDENTIFY ON	NE-TIME COSTS	<del></del>			
5. BREAK DOWN THE REQUEST BY	Gov Rec		Gov Rec	Gov Rec	Gov Rec		Gov Rec	Gov Rec	Gov Rec	
	Gov Rec GR	Gov Rec	Gov Rec FED	Gov Rec FED	Gov Rec OTHER	Gov Rec	Gov Rec TOTAL	TOTAL	One-Time	
5. BREAK DOWN THE REQUEST BY Budget Object Class/Job Class	Gov Rec GR		Gov Rec	Gov Rec	Gov Rec		Gov Rec			
	Gov Rec GR	Gov Rec	Gov Rec FED	Gov Rec FED	Gov Rec OTHER	Gov Rec	Gov Rec TOTAL	TOTAL	One-Time	
	Gov Rec GR	Gov Rec	Gov Rec FED	Gov Rec FED	Gov Rec OTHER	Gov Rec OTHER FTE	Gov Rec TOTAL	TOTAL	One-Time	
Budget Object Class/Job Class Total PS	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS	TOTAL FTE	One-Time DOLLARS	
Budget Object Class/Job Class  Total PS  Total EE	Gov Rec GR DOLLARS 0	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS	TOTAL FTE	One-Time DOLLARS	
Budget Object Class/Job Class  Total PS  Total EE  Program Distributions	Gov Rec GR DOLLARS 0 0 3,977,661	Gov Rec GR FTE	Gov Rec FED DOLLARS 0 0 7,324,323	Gov Rec FED FTE	Gov Rec OTHER DOLLARS 0	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0 0 11,301,984	TOTAL FTE	One-Time DOLLARS 0	
Budget Object Class/Job Class  Total PS  Total EE	Gov Rec GR DOLLARS 0	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0	TOTAL FTE	One-Time DOLLARS	
Budget Object Class/Job Class  Total PS  Total EE  Program Distributions Total PSD	Gov Rec GR DOLLARS 0 0 3,977,661	Gov Rec GR FTE	Gov Rec FED DOLLARS 0 0 7,324,323	Gov Rec FED FTE	Gov Rec OTHER DOLLARS 0	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0 0 11,301,984	TOTAL FTE	One-Time DOLLARS 0	
Budget Object Class/Job Class  Total PS  Total EE  Program Distributions	Gov Rec GR DOLLARS 0 3,977,661 3,977,661	Gov Rec GR FTE	Gov Rec FED DOLLARS 0 0 7,324,323 7,324,323	Gov Rec FED FTE	Gov Rec OTHER DOLLARS 0	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0 11,301,984 11,301,984	TOTAL FTE	One-Time DOLLARS  0  0	
Budget Object Class/Job Class  Total PS  Total EE  Program Distributions Total PSD  Transfers Total TRF	Gov Rec GR DOLLARS 0 0 3,977,661	Gov Rec GR FTE	Gov Rec FED DOLLARS 0 0 7,324,323	Gov Rec FED FTE	Gov Rec OTHER DOLLARS 0	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0 0 11,301,984	TOTAL FTE	One-Time DOLLARS 0	
Budget Object Class/Job Class  Total PS  Total EE  Program Distributions Total PSD  Transfers	Gov Rec GR DOLLARS 0 3,977,661 3,977,661	Gov Rec GR FTE	Gov Rec FED DOLLARS 0 0 7,324,323 7,324,323	Gov Rec FED FTE	Gov Rec OTHER DOLLARS 0	Gov Rec OTHER FTE 0.0	Gov Rec TOTAL DOLLARS 0 11,301,984 11,301,984	TOTAL FTE	One-Time DOLLARS  0  0	

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

#### 6a. Provide an effectiveness measure.

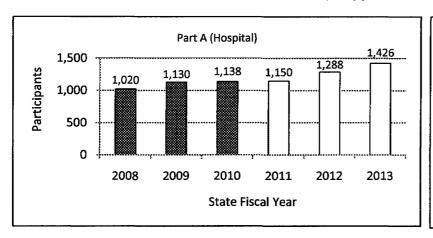
Effectiveness Measure: Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet Division avoided over \$105.5 million in SFY 2010 as shown in the chart below.

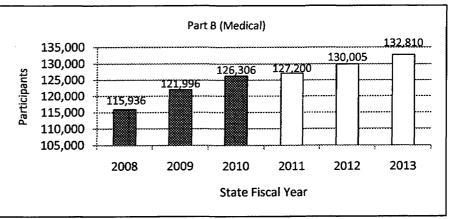


# 6b. Provide an efficiency measure.

Efficiency Measure: Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for Mo HealthNet eligibles when it is cost effective to do so. In FY10, the MO HealthNet Division paid \$2.6 million for health insurance premiums, coinsurance and deductibles and avoided \$3.1 million in costs.

## 6c. Provide the number of clients/individuals served, if applicable.





Participants: Part A (Hospital) premium payments can be made for: Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals. Part B (Medical) premium payments can be made for: Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries. HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

# 6d. Provide a customer satisfaction measure, if available.

## 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

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DE	വടി	ION	ITEM	DFI	ΓΔΙΙ
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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
PREMIUM PAYMENTS			-						
Medicare Premium Increase - 1886008									
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	45,519,483	0.00	11,301,984	0.00	
TOTAL - PD	0	0.00	0	0.00	45,519,483	0.00	11,301,984	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$45,519,483	0.00	\$11,301,984	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$16,292,130	0.00	\$3,977,661	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$29,227,353	0.00	\$7,324,323	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit			<del></del>					
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NURSING FACILITIES								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	144,798,885	0.00	144,053,995	0.00	144,053,995	0.00	133,598,846	0.00
TITLE XIX-FEDERAL AND OTHER	373,983,448	0.00	370,084,077	0.00	370,084,077	0.00	354,152,493	0.00
UNCOMPENSATED CARE FUND	58,516,478	0.00	58,516,478	0.00	58,516,478	0.00	58,516,478	0.00
THIRD PARTY LIABILITY COLLECT	2,592,981	0.00	2,592,981	0.00	2,592,981	0.00	2,592,981	0.00
NURSING FACILITY FED REIM ALLW	8,154,266	0.00	9,134,756	0.00	9,134,756	0.00	9,134,756	0.00
HEALTHY FAMILIES TRUST	13,930	0.00	17,973	0.00	17,973	0.00	17,973	0.00
TOTAL - PD	588,059,988	0.00	584,400,260	0.00	584,400,260	0.00	558,013,527	0.00
TOTAL	588,059,988	0.00	584,400,260	0.00	584,400,260	0.00	558,013,527	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC						*		
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	455,149	0.00
TOTAL - PD	0	0.00	- 0	0.00	0	0.00	455,149	0.00
TOTAL	0	0.00	0	0.00	0	0.00	455,149	0.00
GRAND TOTAL	\$588,059,988	0.00	\$584,400,260	0.00	\$584,400,260	0.00	\$558,468,676	0.00

#### **CORE DECISION ITEM**

Department: Social Services

Division: MO HealthNet Core: Nursing Facilities

**Budget Unit: 90549C** 

I. CORLING	IANCIAL SUMMAI	FY 2012 Budg	et Request			FY 2	2012 Governor's	Recommendati	on	
	GR	Federal	Other	Total		GR	Federal	Other	Total	
PS EE PSD TRF	144,053,995	370,084,077	70,262,188	584,400,260	PS EE PSD TRF	133,598,846			558,013,527	
Total	144,053,995	370,084,077	70,262,188	584,400,260	Total	133,598,846	354,152,493	70,262,188	558,013,527	
FTE				0.00	FTE				0.00	
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0	

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Uncompensated Care Fund (UCF) (0108)

Healthy Families Trust Fund (HFTF) (0625)

Third Party Liability Collections Fund (TPL) (0120)

Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)

Other Funds: Uncompensated Care Fund (UCF) (0108)

Healthy Families Trust Fund (HFTF) (0625)

Third Party Liability Collections Fund (TPL) (0120)

Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196

## 2. CORE DESCRIPTION

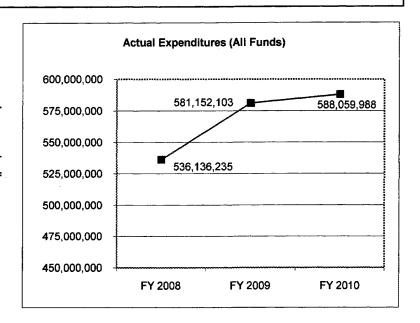
This core is for ongoing funding for payments for long-term nursing care for MO HealthNet participants.

# 3. PROGRAM LISTING (list programs included in this core funding)

**Nursing Facilities** 

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	574,423,429	607,082,123	624,721,523	584,400,260
Less Reverted (All Funds)	(5,000,000)	(5,277,944)	(5,375,638)	N/A
Budget Authority (All Funds)	569,423,429	601,804,179	619,345,885	N/A
Actual Expenditures (All Funds)	536,136,235	581,152,103	588,059,988	N/A
Unexpended (All Funds)	33,287,194	20,652,076	31,285,897	N/A
Unexpended, by Fund:				
General Revenue	11,550,695	3,093,353	803,309	N/A
Federal	21,718,526	16,437,360	29,502,098	N/A
Other	17,973	1,121,363	980,490	N/A
		(1)	(2) (3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

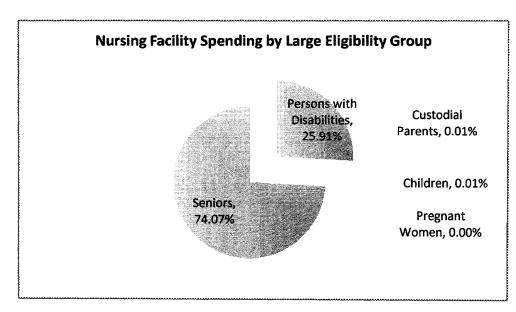
- (1) Agency reserve of \$4,121,362: \$3,000,000 General Revenue and \$1,121,362 in Third Party Liability Collections fund.
- (2) Agency reserve of \$7,166,946 in Federal funds.
- (3) Expenditures of \$8,000,000 paid from Nursing Facility FRA.

#### 4. FINANCIAL HISTORY

	Cost Per	Eligible - Per Me	ember Per Mont	h (PMPM)
	Nursing Facility PMPM*	Acute Care PMPM	Total PMPM	Nursing Facility Percentage of Acute Total
PTD	\$124.38	\$911.73	\$1,541.10	13.64% 8.07%
Seniors	\$736.73	\$335.72	\$1,357.76	219.45% 54.26%
<b>Custodial Parents</b>	\$0.09	\$399.46	\$410.83	0.02% 0.02%
Children**	\$0.01	\$245.08	\$267.46	0.00% 0.00%
Pregnant Women	\$0.00	\$523.13	\$529.42	0.00% 0.00%

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics. Add-on payments funded from FRA provider tax not included.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for Fiscal Year 2010

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for nursing facilities, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the nursing facility PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for nursing facilities. It provides a snapshot of what eligibility groups are receiving nursing facility services as well as the populations impacted by program changes.

# **CORE RECONCILIATION DETAIL**

# **DEPARTMENT OF SOCIAL SERVICES**

**NURSING FACILITIES** 

# 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Ex
TAFP AFTER VETO	DES							
		_PD	0.00	144,053,995	370,084,077	70,262,188	584,400,260	
		Total	0.00	144,053,995	370,084,077	70,262,188	584,400,260	
DEPARTMENT CO	RE REQUEST							
	.,	PD	0.00	144,053,995	370,084,077	70,262,188	584,400,260	
		Total	0.00	144,053,995	370,084,077	70,262,188	584,400,260	
GOVERNOR'S ADI	DITIONAL COR	E ADJUST	MENTS					
Core Reduction	1825 6473	PD	0.00	0	(15,931,584)	0	(15,931,584)	
Core Reduction	1825 6472	PD	0.00	(10,000,000)	0	0	(10,000,000)	
Core Reduction	2214 6472	PD	0.00	(455,149)	0	0	(455,149)	
NET G	OVERNOR CH	ANGES	0.00	(10,455,149)	(15,931,584)	0	(26,386,733)	
GOVERNOR'S REC	COMMENDED (	CORE						
		PD	0.00	133,598,846	354,152,493	70,262,188	558,013,527	
		Total	0.00	133,598,846	354,152,493	70,262,188	558,013,527	

<b>FY12 Department of Social Service</b>	ECISION ITE	EM DETAIL						
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011		FY 2012	FY 2012	FY 2012
Decision Item Budget Object Class	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
NURSING FACILITIES			<del> </del>			*		
CORE								
PROGRAM DISTRIBUTIONS	588,059,988	0.00	584,400,260	0.00	584,400,260	0.00	558,013,527	0.00
TOTAL - PD	588,059,988	0.00	584,400,260	0.00	584,400,260	0.00	558,013,527	0.00
GRAND TOTAL	\$588,059,988	0.00	\$584,400,260	0.00	\$584,400,260	0.00	\$558,013,527	0.00
GENERAL REVENUE	\$144,798,885	0.00	\$144,053,995	0.00	\$144,053,995	0.00	\$133,598,846	0.00
FEDERAL FUNDS	\$373,983,448	0.00	\$370,084,077	0.00	\$370,084,077	0.00	\$354,152,493	0.00
OTHER FUNDS	\$69,277,655	0.00	\$70.262.188	0.00	\$70,262,188	0.00	\$70,262,188	0.00

#### PROGRAM DESCRIPTION

Department: Social Services
Program Name: Nursing Facilities

Program is found in the following core budget(s): Nursing Facilities

## 1. What does this program do?

PROGRAM SYNOPSIS: Provides payment for long-term nursing care for MO HealthNet participants.

This program provides long-term institutional care for MO HealthNet participants. An average of 500 nursing homes were enrolled in the MO HealthNet program in SFY 10 with an average of 24,187 participants per month. Nursing facility care users are 2.75% of the total MO HealthNet participants. However, the nursing facility program comprises almost 14.11% of the total program dollars.

Payment is based on a per diem rate established for each nursing home by the Institutional Reimbursement Unit (IRU) of the MO HealthNet Division. A portion of the per diem rate is paid from the Nursing Facilities budget section and a portion from the Nursing Facilities Federal Reimbursement Allowance (NFFRA) section.

The current reimbursement methodology is based on a cost component system. The components are patient care, ancillary, administration and capital. A working capital allowance, incentives and the NFFRA are also elements of the total reimbursement rate. Patient care includes medical supplies, nursing, supplies, activities, social services and dietary costs. Ancillary services are therapies, barber and beauty shop, laundry and housekeeping. Administration includes plant operation costs and administrative costs. Capital costs are reimbursed through a fair rental value methodology. The capital component includes rental value, return, computed interest, borrowing costs and pass-through expenses. Property insurance and real estate and personal property taxes (the pass-through expenses) are the only part of the capital component that is trended. The working capital allowance per diem rate is equal to 1.1 months of the total of the facility's per diem rates for the patient care, ancillary and administration cost components multiplied by the prime rate plus 2%. There are three incentives which are paid to qualified facilities to encourage patient care expenditures and cost efficiencies in administration. The patient care incentive is 10% of a facility's patient care per diem up to a maximum of 130% of the patient care median. The ancillary incentive is paid to all facilities whose costs are below the ancillary ceiling. The amount is one-half of the difference between certain parameters. The multiple component incentive is allowed for facilities whose patient care and ancillary per diem rate are between 60 - 80% of total per diem rate. An additional amount is allowed for facilities with high MO HealthNet utilization. The current NFFRA is also included in the total reimbursement rate since it is an allowable MO HealthNet cost.

The reimbursement system is a prospective system. When the rate is established on a particular cost report year, it will not change until the rates are rebased on another cost report year. This rate may be adjusted for global per diem rate adjustments, such as trends, which are granted to the industry as a whole and are applied to the previously established rate.

Providers are reimbursed for MO HealthNet participants based on the residents' days of care multiplied by the facility's Title XIX per diem rate less any patient surplus amount. The amount of money the MO HealthNet participant contributes to his or her nursing home care is called patient surplus. The patient surplus is based upon the participant's income and expenses. The amount of the patient surplus is calculated by a Family Support Division caseworker. The gross income (usually a Social Security benefit check) of the participant is adjusted for the personal needs allowance, an allotment of money allocated for use by the community spouse or dependent children and medical deductions (Medicare premiums or private medical insurance premiums that the participant pays for his own medical coverage). The remainder is the patient surplus. The participant and the nursing facility are notified of the amount of the patient surplus by the Family Support Division. The nursing home provider is responsible for obtaining the patient surplus from the participant.

During SFY 10, MHD implemented a change in reimbursement of Medicare/Medicaid crossover claims for Medicare Part A and Medicare Advantage/Part C inpatient skilled nursing facility benefits. Effective for dates of service beginning April 1, 2010, MHD no longer automatically reimburses the coinsurance or cost sharing amount determined by Medicare or the Medicare Advantage Plan for inpatient nursing facility services. MHD now determines the MO HealthNet reimbursement for the coinsurance or cost sharing amount of crossover claims which is limited to the fee-for-service amount that would be paid by MHD for those services.

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Beginning January 1, 2010 (HB 395) the personal needs allowance must be increased by an amount equal to the product of the percentage of the Social Security benefit cost-of-living adjustment and the average amount that MO HealthNet participants are required to contribute to their cost of care, not to exceed \$5.00 in any year. When the allowance reaches \$50, there will be no further increases unless authorized by annual appropriation. There was not a Social Security cost-of-living adjustment for 2010, therefore the personal needs allowance was not increased, and remains at \$30.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153, 208.159; 208.201 Federal law: Social Security Act Section 1905(a)(4); Federal regulations: 42CFR 440.40 and 440.210

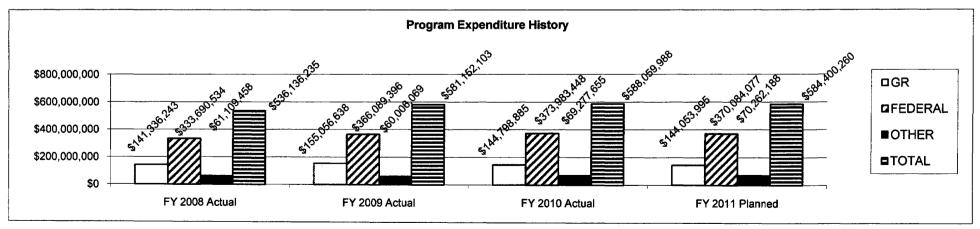
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY 11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

#### 4. Is this a federally mandated program? If yes, please explain.

Yes, for people over age 21.

# 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



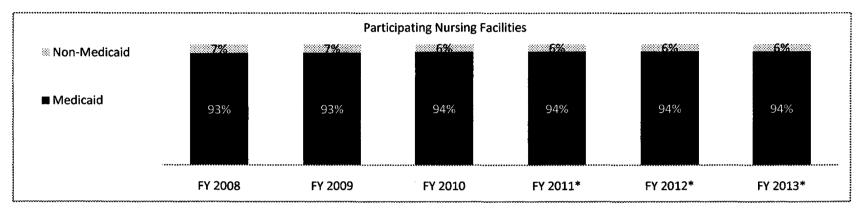
Reserve: \$17,973 Other Funds.

#### 6. What are the sources of the "Other" funds?

Uncompensated Care Fund (0108), Third Party Liability Collections Fund (0120), Healthy Families Trust Fund (0625) and Nursing Facilities Federal Reimbursement Allowance Fund (0196).

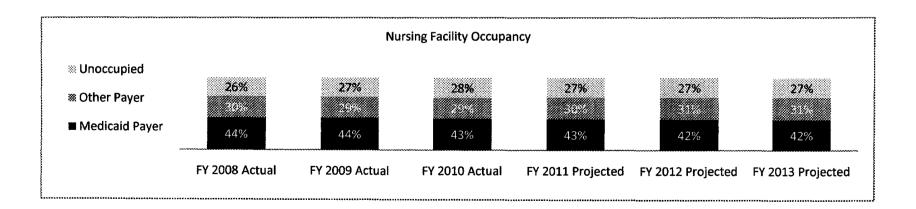
#### 7a. Provide an effectiveness measure.

Effectiveness Measure 1: Provide reimbursement that is sufficient to ensure nursing facilities enroll in the MO HealthNet program. During the past three state fiscal years, over 90% of licensed nursing facilities in the state participated in the MO HealthNet program.



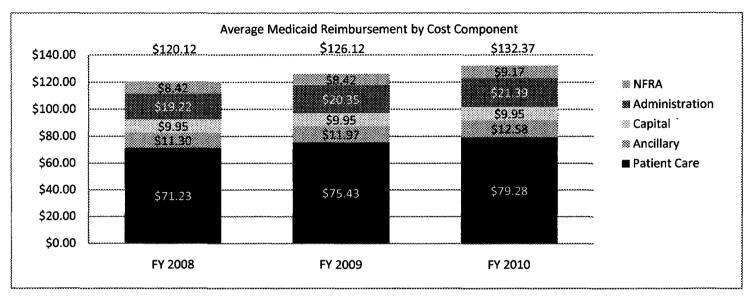
<sup>\*</sup> FY 2011-FY 2013 data is projected.

Effectiveness Measure 2: Provide adequate reimbursement to ensure MO HealthNet participants have sufficient access to care. In the past three state fiscal years, at least 26% of nursing facility beds were unoccupied. There are a sufficient number of beds available to care for MO HealthNet participants.



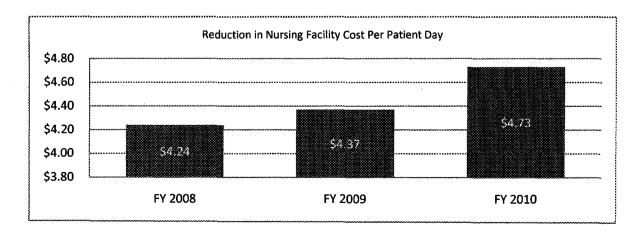
#### 7b. Provide an efficiency measure.

Efficiency Measure 1: Target and encourage quality patient care through the nursing facility reimbursement methodology. In the past three state fiscal years, more than 50% of the average Medicaid reimbursement rate related to patient care.



The NFRA amount in the chart for SFY 10 of \$9.17 is an average for the entire SFY, actual rates were \$9.07 & \$9.27.

Efficiency Measure 2: Ensure nursing facility costs included in determining MO HealthNet reimbursement are allowable by performing audits of the provider's cost reports. During the past three state fiscal years, over \$4.00 of nursing facility costs per patient day were disallowed as a result of MHD audits.



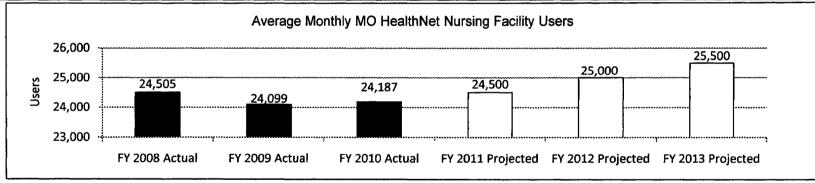
Efficiency Measure 3: Target and encourage quality patient care by utilizing a reimbursement methodology that allows for higher reimbursement of patient care costs while limiting administration and capital costs. The ceilings for the cost components related to patient care (patient care and ancillary) are 120% of the median. Various limitations are applied to administration and capital costs, some of which are identified below.

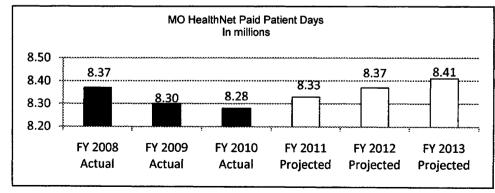
Cost Component Ceilings						
Patient Care	120% of median					
Ancillary	120% of median					
Administration	110% of median					

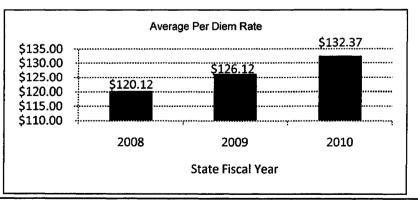
## Limitations on Administration & Capital Costs

- \* Minimum Utilization of 85% applied to Administration and Capital
- \* Owners' Compensation is limited
- \* Home office costs are limited to 7% of gross revenues less contractual allowance
- \* Related party transactions are limited to the cost incurred by the related party
- \* Fair Rental Value calculation is used to determine the capital cost component which limits excessive real estate costs.

7c. Provide the number of clients/individuals served, if applicable.







7d. Provide a customer satisfaction measure, if available.

FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOME HEALTH								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	2,129,341	0.00	2,251,638	0.00	2,251,638	0.00	2,251,638	0.00
TITLE XIX-FEDERAL AND OTHER	4,247,725	0.00	4,672,954	0.00	4,672,954	0.00	4,491,899	0.00
HEALTH INITIATIVES	154,526	0.00	159,305	0.00	159,305	0.00	159,305	0.00
TOTAL - PD	6,531,592	0.00	7,083,897	0.00	7,083,897	0.00	6,902,842	0.00
TOTAL	6,531,592	0.00	7,083,897	0.00	7,083,897	0.00	6,902,842	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	134,152	0.00	46,758	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	231,585	0.00	81,032	0.00
TOTAL - PD	0	0.00	0	0.00	365,737	0.00	127,790	0.00
TOTAL	0	0.00	0	0.00	365,737	0.00	127,790	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	159,105	0.00	109,407	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	274,659	0.00	189,601	0.00
TOTAL - PD	0	0.00	0	0.00	433,764	0.00	299,008	0.00
TOTAL	0	0.00	0	0.00	433,764	0.00	299,008	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC						•		
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	181,055	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	181,055	0.00
TOTAL	0	0.00	0	0.00	0	0.00	181,055	0.00
GRAND TOTAL	\$6,531,592	0.00	\$7,083,897	0.00	\$7,883,398	0.00	\$7,510,695	0.00

im\_disummary

#### **CORE DECISION ITEM**

Department: Social Services

Division: MO HealthNet

Core: Home Health

**Budget Unit: 90564C** 

-		FY 2012 Budg	et Request			FY 2	012 Governor's F	Recommendatio	n
	GR	Federal	Other	Total	<u> </u>	GR	Federal	Other	Total
PS			······································		PS				
EE					EE				
PSD	2,251,638	4,672,954	159,305	7,083,897	PSD	2,251,638	4,491,899	159,305	6,902,842
TRF				,	TRF				
Total	2,251,638	4,672,954	159,305	7,083,897	Total	2,251,638	4,491,899	159,305	6,902,842
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
Note: Fringe	es budgeted in House	Bill 5 except for	certain fringes bud	geted directly	Note: Fringes I	budgeted in Hous	se Bill 5 except for	r certain fringes b	udgeted
to MoDOT, I	Highway Patrol, and (	Conservation.			directly to MoD	OT, Highway Pai	trol, and Conserva	ation.	

Other Funds: Health Initiatives Fund (HIF) (0275)

Other Funds: Health Initiatives Fund (HIF) (0275)

#### 2. CORE DESCRIPTION

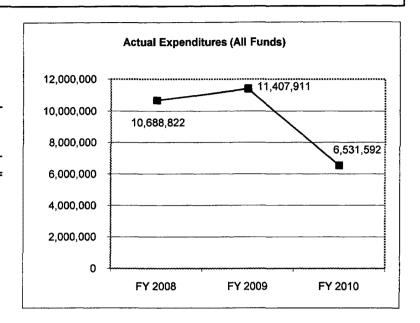
This core request is for on-going funding for payments for services provided through the Home Health program. This program is designed to help a MO HealthNet participant remain in their home instead of seeking institutional care.

# 3. PROGRAM LISTING (list programs included in this core funding)

Home Health Services

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	12,033,968	12,337,028	7,126,576	7,083,897
Less Reverted (All Funds)	(131,614)	(330,806)	(268,872)	N/A
Budget Authority (All Funds)	11,902,354	12,006,222	6,857,704	N/A
Actual Expenditures (All Funds)	10,688,822	11,407,911	6,531,592	N/A
Unexpended (All Funds)	1,213,532	598,311	326,112	N/A
Unexpended, by Fund:				
General Revenue	311,753	31,663	. 0	N/A
Federal	812,037	566,648	326,112	N/A
Other	89,742	0	0	N/A
	(1)	(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

# NOTES:

(1) The Home Health and PACE programs were funded through one appropriation in FY 2008 and FY 2009. Beginning in FY 2010 they were divided into separate budgeting units.

Home Health expenditures for FY 08: \$5,984,839 Home Health expenditures for FY 09: \$6,173,885

(2) Expenditures of \$81,493 were paid from the Supplemental Pool.

# **CORE RECONCILIATION DETAIL**

# **DEPARTMENT OF SOCIAL SERVICES**

**HOME HEALTH** 

# 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total
			116	GK	i euciai	Other	TOtal
TAFP AFTER VET	OES						
		PD	0.00	2,251,638	4,672,954	159,305	7,083,897
		Total	0.00	2,251,638	4,672,954	159,305	7,083,897
DEPARTMENT CO	RE REQUEST						
		PD	0.00	2,251,638	4,672,954	159,305	7,083,897
		Total	0.00	2,251,638	4,672,954	159,305	7,083,897
GOVERNOR'S AD	DITIONAL COR	E ADJUST	MENTS				
Core Reduction	2218 1798	PD	0.00	0	(181,055)	0	(181,055)
NET G	OVERNOR CH	ANGES	0.00	0	(181,055)	0	(181,055)
GOVERNOR'S RE	COMMENDED	CORE					
		PD	0.00	2,251,638	4,491,899	159,305	6,902,842
		Total	0.00	2,251,638	4,491,899	159,305	6,902,842

FY12 Department of Social Services Report #10

n	121	ION	ITEM	DEI	ΓΔΙΙ

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012 GOV REC
Decision Item Budget Object Class	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	FTE
	DOLLAR	TIE	DOLLAR	FTE	DOLLAR	PIC	DOLLAR	
HOME HEALTH								
CORE								
PROGRAM DISTRIBUTIONS	6,531,592	0.00	7,083,897	0.00	7,083,897	0.00	6,902,842	0.00
TOTAL - PD	6,531,592	0.00	7,083,897	0.00	7,083,897	0.00	6,902,842	0.00
GRAND TOTAL	\$6,531,592	0.00	\$7,083,897	0.00	\$7,083,897	0.00	\$6,902,842	0.00
GENERAL REVENUE	\$2,129,341	0.00	\$2,251,638	0.00	\$2,251,638	0.00	\$2,251,638	0.00
FEDERAL FUNDS	\$4,247,725	0.00	\$4,672,954	0.00	\$4,672,954	0.00	\$4,491,899	0.00
OTHER FUNDS	\$154,526	0.00	\$159,305	0.00	\$159,305	0.00	\$159,305	0.00

#### PROGRAM DESCRIPTION

Department: Social Services Program Name: Home Health

Program is found in the following core budget(s): Home Health

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program funds Home Health services. These programs help MO HealthNet participants remain in their homes instead of seeking institutional care.

Home Health services provide primarily medically oriented treatment or supervision on an intermittent basis to individuals with an acute illness which can be therapeutically managed at home. Prior to October 1, 2010, individuals were required to be homebound to receive Home Health Program services. The homebound requirement was removed effective October 1, 2010. Home Health care follows a written plan of treatment established and reviewed every 62 days by a physician. Services included in the Home Health benefit are skilled nursing, home health aide, physical, occupational and speech therapies, and supplies. Participants who are eligible under aid categories for children, pregnant women, or blind individuals are eligible for physical, occupational and speech therapy provided through Home Health. Therapy must be reasonable and necessary for restoration to an optimal level of functioning following an injury or illness.

Home Health services are reimbursed on a per visit basis. A visit is a personal contact for a period of time not to exceed three hours in a client's home. Payment for the visit is the lower of the provider's actual billed charge or the state MO HealthNet agency established capped amount. The current MO HealthNet cap is \$64.15. Home Health is a mandatory service added to the MO HealthNet program in July 1972. The program serves participants throughout the state.

# 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152; Federal law: Social Security Act Section 1905(a)(24), 1905(a)(7) and 1915(c);

Federal Regulations: 42 CFR 440.170(f), 440.210, 440.130 and 440.180 and 460. Social Security Act Sections: 1894, 1905(a) and 1934.

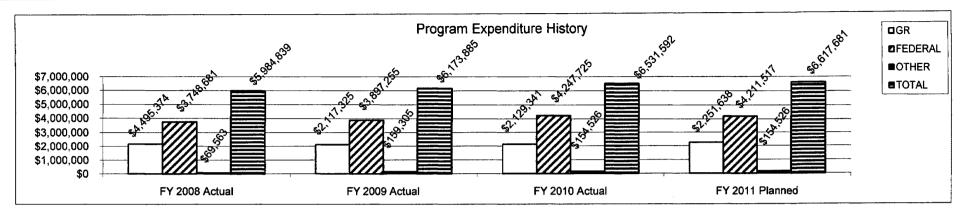
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 was a blended 63.595% federal match. The state matching requirement is 36.405%.

# 4. Is this a federally mandated program? If yes, please explain.

Home Health is a mandatory Medicaid program.

# 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Reverted: \$4,779 Other Funds Reserve: \$461,437 Federal Funds

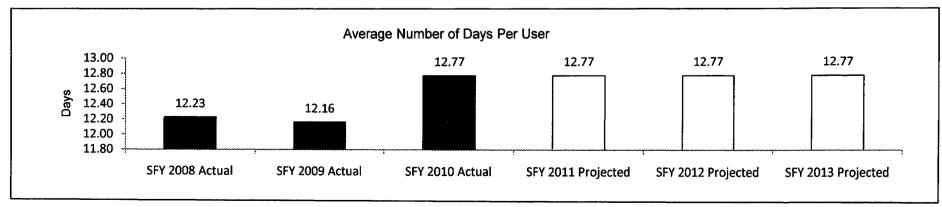
From FY 08 through FY 09 funding for the Home Health and PACE programs were combined in the same appropriation. In FY 10, funding was recommended for both programs in separate appropriations. The Program Expenditure History above provides expenditures for the Home Health program only.

# 6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275).

## 7a. Provide an effectiveness measure.

Effectiveness Measure: Home health plans are reviewed every 62 days. Providing health care at home is less costly than providing care in the hospital.

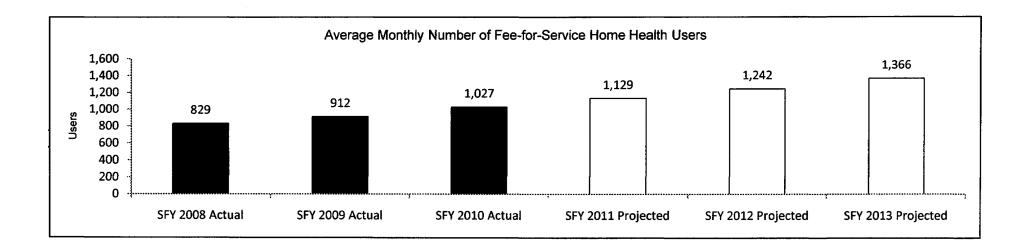


·	User Count by Number of Days										
SFY	0-60	61-90	91-120	121+	Total						
SFY 2008 Actual	16,676	29	10	24	16,739						
SFY 2009 Actual	17,010	30	10	24	17,074						
SFY 2010 Actual	16,722	61	21	12	16,816						
SFY 2011 Projected	17,697	31	11	25	17,764						
SFY 2012 Projected	17,697	31	11	25	17,764						
SFY 2013 Projected	17,697	31	11	25	17,764						

## 7b. Provide an efficiency measure.

## 7c. Provide the number of clients/individuals served, if applicable.

Services are available to all MO HealthNet fee-for-service (FFS) and Managed Care participants; however, certain criteria (medical need or age requirement) must be met before participants can receive services.



## 7d. Provide a customer satisfaction measure, if available.

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FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PACE								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	1,648,805	0.00	1,464,091	0.00	1,464,091	0.00	1,464,091	0.00
TITLE XIX-FEDERAL AND OTHER	2,954,804	0.00	3,149,484	0.00	3,149,484	0.00	3,149,484	0.00
TOTAL - PD	4,603,609	0.00	4,613,575	0.00	4,613,575	0.00	4,613,575	0.00
TOTAL	4,603,609	0.00	4,613,575	0.00	4,613,575	0.00	4,613,575	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	232,891	0.00	85,089	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	. 0	0.00	147,459	0.00
TOTAL - PD	0	0.00	0	0.00	232,891	0.00	232,548	0.00
TOTAL	0	0.00	0	0.00	232,891	0.00	232,548	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	224,016	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	224,016	0.00
TOTAL	0	0.00	0	0.00	0	0.00	224,016	0.00
GRAND TOTAL	\$4,603,609	0.00	\$4,613,575	0.00	\$4,846,466	0.00	\$5,070,139	0.00

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90568C

**Division: MO HealthNet** 

Core: Programs for All-Inclusive Care for the Elderly (PACE)

		FY 2012 Budg	et Request		***	FY 2	012 Governor's	Recommendati	on
	GR	Federal	Other	Total	Γ	GR	Federal	Other	Total
rs _					PS				
E					EE				
PSD	1,464,091	3,149,484		4,613,575	PSD	1,464,091	3,149,484		4,613,575
rrf					TRF				
Total _	1,464,091	3,149,484		4,613,575	Total	1,464,091	3,149,484		4,613,575
FTE				0.00	FTE				0.00
st. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
Vote: Fringes	budgeted in House	Bill 5 except for	certain fringes bu	dgeted directly	Note: Fringes	budgeted in Hou	se Bill 5 except fo	r certain fringes	budgeted
to MoDOT, Hig	hway Patrol, and (	Conservation.			directly to MoD	OT, Highway Pa	trol, and Conserva	ation.	

Other Funds:

Other Funds:

## 2. CORE DESCRIPTION

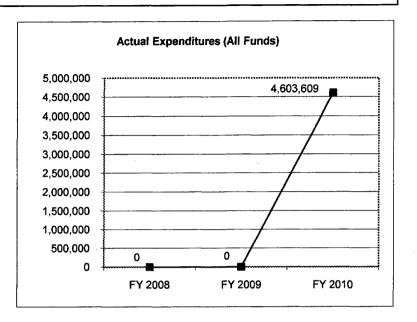
This core request is for on-going funding for payments for services provided through the PACE program. This program is designed to help a MO HealthNet participant remain in their home instead of seeking institutional care.

## 3. PROGRAM LISTING (list programs included in this core funding)

Programs for All-Inclusive Care for the Elderly (PACE)

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	0	0	6,324,826	4,613,575
Less Reverted (All Funds)	0	0	(594,677)	N/A
Budget Authority (All Funds)	0	0	5,730,149	N/A
Actual Expenditures (All Funds)	0	0	4,603,609	N/A
Unexpended (All Funds)	0	0	1,126,540	N/A
Unexpended, by Fund:				
General Revenue	0	0	7,890	N/A
Federal	0	0	1,118,650	N/A
Other	0	0	0	N/A
	(1)	(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## **NOTES:**

- (1) The Home Health and PACE programs were funded through one appropriation in FY 2008 and FY 2009.
- (2) The Home Health and PACE programs were divided into separate budgeting units in FY 2010.

PACE expenditures for FY 08:

\$4,703,983

PACE expenditures for FY 09:

\$5,234,026

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

PACE

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	1
TAFP AFTER VETOES							
	PD	0.00	1,464,091	3,149,484	0	4,613,575	,
	Total	0.00	1,464,091	3,149,484	0	4,613,575	5
DEPARTMENT CORE REQUEST							
	PD	0.00	1,464,091	3,149,484	0	4,613,575	,
	Total	0.00	1,464,091	3,149,484	0	4,613,575	
GOVERNOR'S RECOMMENDED	CORE						
	PD	0.00	1,464,091	3,149,484	0	4,613,575	,
	Total	0.00	1,464,091	3,149,484	0	4,613,575	5

FY12 Department of Social Services Report #10

DEC	191	ON	<b>ITEM</b>	DET	ГАП
UEL	1.51	LM			AIL

Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC DOLLAR	GOV REC FTE
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FIE .
PACE								
CORE								
PROGRAM DISTRIBUTIONS	4,603,609	0.00	4,613,575	0.00	4,613,575	0.00	4,613,575	0.00
TOTAL - PD	4,603,609	0.00	4,613,575	0.00	4,613,575	0.00	4,613,575	0.00
GRAND TOTAL	\$4,603,609	0.00	\$4,613,575	0.00	\$4,613,575	0.00	\$4,613,575	0.00
GENERAL REVENUE	\$1,648,805	0.00	\$1,464,091	0.00	\$1,464,091	0.00	\$1,464,091	0.00
FEDERAL FUNDS	\$2,954,804	0.00	\$3,149,484	0.00	\$3,149,484	0.00	\$3,149,484	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE

#### 1. What does this program do?

PROGRAM SYNOPSIS: Funds the Program of All Inclusive Care for the Elderly (PACE). This program helps MO HealthNet participants remain in their homes instead of seeking institutional care.

The goal is to maximize each participant's potential and continued residence in the home and community by providing preventive primary care and supports to the individual while in the home and community. The PACE program helps the participant stay as independent as possible. The PACE organization is the individual's sole source provider guaranteeing access to services, but not to a specific provider.

The PACE organization provides a full range of preventive, primary, acute, and long-term care services 24 hours per day, 7 days per week. The PACE Center is open Monday through Friday 8 AM to 5 PM to offer services on-site in an adult day health center setting. The PACE organization also provides in-home services as deemed necessary by the PACE Interdisciplinary Team (IDT). All medical services the individual requires while enrolled in the PACE program are the financial responsibility of the PACE provider.

PACE combines adult day settings, home care, interdisciplinary teams, transportation systems, and capitated payment systems so that providers can respond to the unique needs of each frail, elderly individual served.

The Missouri Department of Social Services, MO HealthNet Division, is the state administering agency for the PACE program.

To be eligible to enroll in the PACE program individuals must be at least 55 years old, live in the PACE service area, have been certified by the Missouri Department of Health and Senior Services to have met the nursing home level of care of 21 points or higher, and be recommended by the PACE staff for PACE program services as the best option for their care.

At the time of enrollment, an individual must be able to live in a community setting without jeopardizing his or her health or safety.

Enrollment in the PACE program is always voluntary and participants have the option to return to the fee-for-service system at any time. Eligibility to enroll in the PACE program is not restricted to Medicare beneficiaries or MO HealthNet participants. A potential PACE enrollee may, but is not required to be entitled to Medicare Part A, enrolled under Medicare Part B, or eligible for MO HealthNet.

Attendance at the PACE center is determined by the interdisciplinary team and based on the needs and preferences of the participants. Some participants attend every day and some only 2-3 times per week. The PACE organization provides transportation to and from the PACE center each day the participant is scheduled to

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152 and 208.168; Federal Regulations: 42 CFR 460

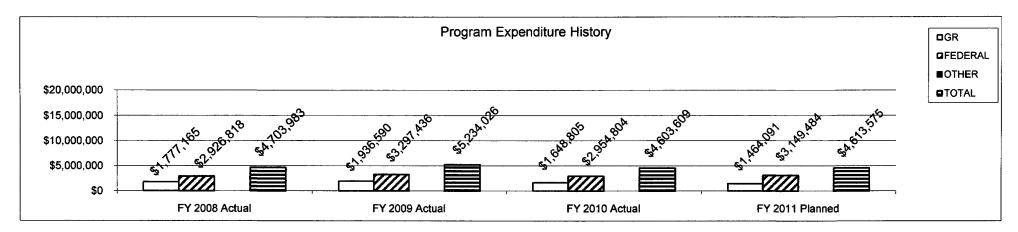
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 was a blended 63.595% federal match. The state matching requirement is 36.405%.

## 4. Is this a federally mandated program? If yes, please explain.

PACE is an optional program.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



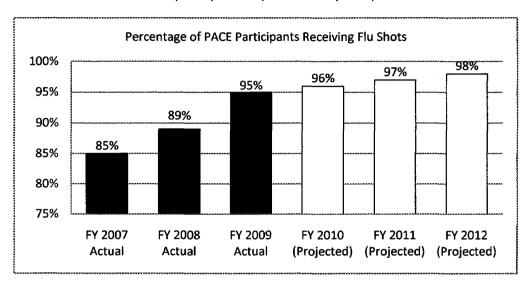
From FY 08 through FY 09 funding for the Home Health and PACE programs were combined in the same appropriation. In FY 10 funding was recommended for both programs in separate appropriations. The Program Expenditure History above provides expenditures for the PACE program only.

#### 6. What are the sources of the "Other" funds?

N/A

#### 7a. Provide an effectiveness measure.

PACE offers flu shots to all of their participants to protect their participants from the flu and the serious problems it creates for the frail elderly.



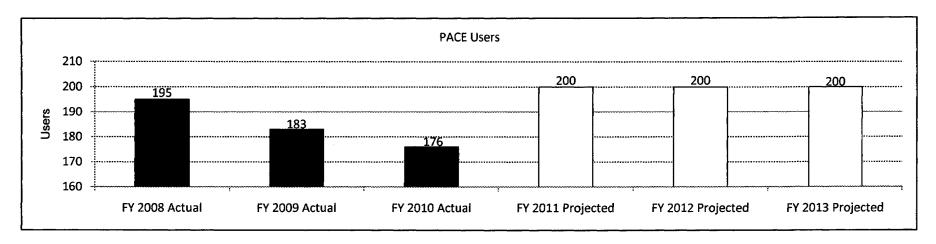
## 7b. Provide an efficiency measure.

The PACE program helps MO HealthNet participants remain in their homes instead of seeking institutional care under the fee-for-service program, by helping them stay as independent as possible. While some PACE participants need to move into a Nursing Home, the participants remain enrolled in PACE, and the PACE provider is responsible for all services provided to these participants. A significant portion of PACE participants continue to live at home and receive services under the PACE program.

	PACE	Participants		
		Reside	Reside In	% Reside
SFY	Users	In NF	Their Home	In Home
2008 Actual	195	13	182	93%
2009 Actual	183	15	168	92%
2010 Actual	176	26	150	85%
2011 Projected	200	25	175	88%
2012 Projected	200	23	177	89%
2013 Projected	200	21	179	90%

## 7c. Provide the number of clients/individuals served, if applicable.

Users include dual participants, MO HealthNet participants and Medicare-only participants.



7d. Provide a customer satisfaction measure, if available.

FY12 Department of Social Services Report #9

DECISION ITEM SUMMARY

•								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REHAB AND SPECIALTY SERVICES								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	872,190	0.00	503,000	0.00	872,000	0.00	872,000	0.0
TITLE XIX-FEDERAL AND OTHER	843,407	0.00	1,203,000	0.00	844,000	0.00	844,000	0.00
TOTAL - EE	1,715,597	0.00	1,706,000	0.00	1,716,000	0.00	1,716,000	0.0
PROGRAM-SPECIFIC								
GENERAL REVENUE	75,061,104	0.00	80,922,136	0.00	78,753,136	0.00	77,673,024	0.00
TITLE XIX-FEDERAL AND OTHER	136,500,864	0.00	161,119,306	0.00	158,366,783	0.00	158,366,783	0.00
NURSING FACILITY FED REIM ALLW	1,414,043	0.00	1,414,043	0.00	1,414,043	0.00	1,414,043	0.00
HEALTH INITIATIVES	189,035	0.00	194,881	0.00	194,881	0.00	194,881	0.00
HEALTHY FAMILIES TRUST	831,745	0.00	831,745	0.00	831,745	0.00	831,745	0.00
AMBULANCE SERVICE REIMB ALLOW	0	0.00	10,141,830	0.00	10,141,830	0.00	10,141,830	0.00
TOTAL - PD	213,996,791	0.00	254,623,941	0.00	249,702,418	0.00	248,622,306	0.00
TOTAL	215,712,388	0.00	256,329,941	0.00	251,418,418	0.00	250,338,306	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	575.813	0.00	614.807	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	419,513	0.00	1,065,453	0.00
TOTAL - PD		0.00		0.00	995,326	0.00	1,680,260	0.00
TOTAL		0.00		0.00	995,326	0.00	1,680,260	0.00
	·				,			
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,665,574	0.00	1,821,192	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	4,601,531	0.00	3,156,102	0.00
TOTAL - PD	0	0.00	0	0.00	7,267,105	0.00	4,977,294	0.00
TOTAL	0	0.00	0	0.00	7,267,105	0.00	4,977,294	0.00
Hospice Rate Increase - 1886009								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	144.737	0.00	144,380	0.00

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FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

GRAND TOTAL	\$215,712,388	3 0.00	\$256,329,941	0.00	\$260,075,444	0.00	\$257,878,598	0.00
TOTAL		0.00	0	0.00	0	0.00	488,143	0.00
TOTAL - PD	(	0.00	0	0.00	0	0.00	488,143	0.00
FMAP Adjustment - 1886017 PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	(	0.00	0	0.00	0	0.00	488,143	0.00
TOTAL	(	0.00	0	0.00	394,595	0.00	394,595	0.00
TOTAL - PD		0.00	0	0.00	394,595	0.00	394,595	0.00
Hospice Rate Increase - 1886009 PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	(	0.00	0	0.00	249,858	0.00	250,215	0.00
REHAB AND SPECIALTY SERVICES								
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
Decision Item Budget Object Summary	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Unit								

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90550C

Division: MO HealthNet

Core: Rehab and Specialty Services

	•	FY 2012 Budg	et Request			FY 2	012 Governor's	Recommendat	ion
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS			-	
EE	872,000	844,000		1,716,000	EE	872,000	844,000		1,716,000
PSD	78,753,136	158,366,783	12,582,499	249,702,418	E PSD	77,673,024	158,366,783	12,582,499	248,622,306 E
TRF					TRF				
Total	79,625,136	159,210,783	12,582,499	251,418,418	E Total	78,545,024	159,210,783	12,582,499	250,338,306 E
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringes	oudgeted directly			
to MoDOT H	ighway Patrol, and	d Conservation		

| Est. Fringe | 0 | 0 | 0 | 0 | Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Healthy Families Trust Fund (0625)

Health Initiatives Fund (HIF) (0275)

Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)

Ambulance Service Reimbursement Allowance (0958)

Other Funds: Healthy Families Trust Fund (0625)

Health Initiatives Fund (HIF) (0275)

Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)

Ambulance Service Reimbursement Allowance (0958)

Note: An "E" is requested for the \$10,141,830 Ambulance Service

Reimbursement Allowance.

Note:

An "E" is requested for the \$10,141,830 Ambulance Service

Reimbursement Allowance.

## 2. CORE DESCRIPTION

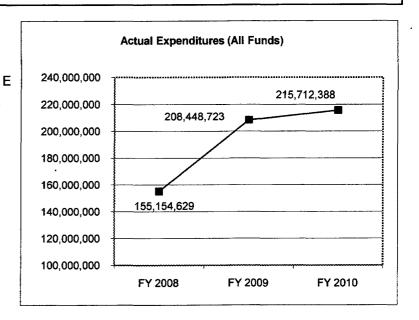
Funding provides Rehabilitation and Specialty services for the fee-for-service MO HealthNet population. The services funded from this core include: audiology/hearing aid; optical; durable medical equipment (DME); ambulance; rehabilitation center; hospice; and comprehensive day rehabilitation. In those regions of the state where MO HealthNet Managed Care has been implemented, participants have Rehab and Specialty services available through the MO HealthNet Managed Care health plans.

## 3. PROGRAM LISTING (list programs included in this core funding)

Rehabilitation and Specialty Services

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	158,280,469	208,454,848	243,332,955	256,329,941 E
Less Reverted (All Funds)	0	(5,846)	(743,885)	N/A
Budget Authority (All Funds)	158,280,469	208,449,002	242,589,070	N/A
Actual Expenditures (All Funds)	155,154,629	208,448,723	215,712,388	N/A
Unexpended (All Funds)	3,125,840	279	26,876,682	N/A
Unexpended, by Fund:				
General Revenue	607,275	103	0	N/A
Federal	2,518,565	176	17,807,457	N/A
Other	0	0	9,069,225	N/A
	(1)	(2) (3)	(4) (5)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for Ambulance Service Reimbursement Allowance for FY 2010.

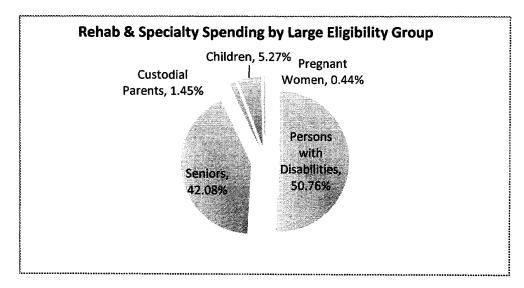
- (1) Expenditures of \$3,017,949 were paid from the Supplemental Pool.
- (2) Expenditures of \$3,283,111 were paid from the Supplemental Pool.
- (3) FY2009: Transfer of Children's residential rehab payments (\$42.1 million) from Children's Division Residential Treatments Services budget to this section.
- (4) Agency reserve of \$26,876,682: \$17,807,457 from Federal and \$9,069,225 from Ambulance Service Reimbursement Allowance.
- (5) Expenditures of \$15,916,437 were paid from the Supplemental Pool.

#### 4. FINANCIAL HISTORY

	Cost Per I	Eligible - Per Me	mber Per Month	n (PMPM)
	Rehab & Specialty PMPM*	Acute Care PMPM	Total PMPM	Rehab & Rehab & Specialty Specialty Percentage of Acute Total
PTD	\$55,29	\$911.73	\$1,541.10	6.06% 3.59%
Seniors	\$94.97	\$335.72	\$1,357.76	28.29% 5.99%
Custodial Parents	\$3.12	\$399.46	\$410.83	0.78% 0.76%
Children**	\$1.99	\$245.08	\$267.46	0.81% 0.74%
Pregnant Women	\$2.66	\$523.13	\$529.42	0.51% 0.50%

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for FY 10.

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for hospital care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the rehab and specialty PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for rehab and specialty services. It provides a snapshot of what eligibility groups are receiving the services, as well as the populations impacted by program changes.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES REHAB AND SPECIALTY SERVICES

## 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	ES							,	
			EE	0.00	503,000	1,203,000	0	1,706,000	
			PD	0.00	80,922,136	161,119,306	12,582,499	254,623,941	
			Total	0.00	81,425,136	162,322,306	12,582,499	256,329,941	•
DEPARTMENT CO	RE ADJ	USTME	ENTS						
Core Reduction	979	8204	PD	0.00	(1,800,000)	0	0	(1,800,000)	FY11 expenditure restriction to reduce most DME providers to 80% of Medicare
Core Reduction	979	8205	PD	0.00	0	(3,111,523)	0	(3,111,523)	FY11 expenditure restriction to reduce most DME providers to 80% of Medicare
Core Reallocation	483	8205	EE	0.00	0	(359,000)	0	(359,000)	
Core Reallocation	483	8204	EE	0.00	369,000	0	0	369,000	
Core Reallocation	483	8204	PD	0.00	(369,000)	0	0	(369,000)	
Core Reallocation	483	8205	PD	0.00	0	359,000	0	359,000	
NET DE	EPARTI	MENT (	CHANGES	0.00	(1,800,000)	(3,111,523)	0	(4,911,523)	
DEPARTMENT CO	RE REC	UEST							
		•	EE	0.00	872,000	844,000	0	1,716,000	
			PD	0.00	78,753,136	158,366,783	12,582,499	249,702,418	
			Total	0.00	79,625,136	159,210,783	12,582,499	251,418,418	
GOVERNOR'S ADD	ITIONA	L COR	E ADJUSTI	MENTS					
Core Reduction	2004	8204	PD	0.00	(591,969)	0	0	(591,969)	
Core Reduction	2212	8204	PD	0.00	(488,143)	0	0	(488,143)	
NET GO	OVERN	OR CH	ANGES	0.00	(1,080,112)	0	0	(1,080,112)	

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES REHAB AND SPECIALTY SERVICES

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	E
GOVERNOR'S RECOMMENDED	CORE						
	EE	0.00	872,000	844,000	0	1,716,000	1
	PD	0.00	77,673,024	158,366,783	12,582,499	248,622,306	;
	Total	0.00	78,545,024	159,210,783	12,582,499	250,338,306	-

FY12 Department of Social Service	es Report #1	0					ECISION ITE	M DETAIL
Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REHAB AND SPECIALTY SERVICES								
CORE								
PROFESSIONAL SERVICES	1,715,597	0.00	1,706,000	0.00	1,716,000	0.00	1,716,000	0.00
TOTAL - EE	1,715,597	0.00	1,706,000	0.00	1,716,000	0.00	1,716,000	0.00
PROGRAM DISTRIBUTIONS	213,996,791	0.00	254,623,941	0.00	249,702,418	0.00	248,622,306	0.00
TOTAL - PD	213,996,791	0.00	254,623,941	0.00	249,702,418	0.00	248,622,306	0.00
GRAND TOTAL	\$215,712,388	0.00	\$256,329,941	0.00	\$251,418,418	0.00	\$250,338,306	0.00
GENERAL REVENUE	\$75,933,294	0.00	\$81,425,136	0.00	\$79,625,136	0.00	\$78,545,024	0.00
FEDERAL FUNDS	\$137,344,271	0.00	\$162,322,306	0.00	\$159,210,783	0.00	\$159,210,783	0.00
OTHER FUNDS	\$2,434,823	0.00	\$12,582,499	0.00	\$12,582,499	0.00	\$12,582,499	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Rehab and Specialty Services

Program is found in the following core budget(s): Rehab and Specialty Services

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payment for audiology, optometric, durable medical equipment, ambulance, rehabilitation services, hospice, comprehensive day rehabilitation, disease management and diabetes self-management training for MO HealthNet participants. Unless otherwise noted, the rehabilitation and specialty services are covered only for participants who are under the age of 21, pregnant women, blind persons, or nursing facility residents.

Audiology/Hearing Aid - This program is intended only to provide hearing aids and related covered services. Persons eligible for reimbursement of the MO HealthNet Hearing Aid Program services include eligible needy children or persons receiving MO HealthNet benefits under a category of assistance for pregnant women, the blind or nursing facility residents. Covered services include: audiological testing, hearing aids, ear molds, hearing aid fitting, hearing aid dispensing/evaluation, post-fitting evaluation, post-fitting adjustments, and hearing aid repairs. All hearing aids and related services must have prior approval except audiometric testing, post-fitting evaluation, post-fitting adjustment, and repairs to hearing aids no longer under warranty. An audiologist consultant gives prior authorization for the claims.

A participant is entitled to one new hearing aid and related services every four years. However, services for children under the EPSDT/HCY program are determined to be whatever is medically necessary. The EPSDT claims are reviewed by the consultant only if rejected by the computer system. Copay is a charge for a small portion of the cost of services and applies to individuals age 19 and over with a few exceptions (foster care children and institutional residents).

Optical - The MO HealthNet Optical Program covers the following types of providers and services: (1) Optometrists - eye examinations, eyeglasses, artificial eyes, and special ophthalmological services; (2) Physicians - eyeglasses, artificial eyes (physician must be enrolled in the Optical program in order to bill for these services); and (3) Opticians - eyeglasses and artificial eyes.

As of June 15, 2009, the MO HealthNet Division (MHD) requires pre-certification for optical services provided to MO HealthNet fee-for-service participants through MHD's web tool, CyberAccess<sup>SM</sup>.

Participants who are age 20 and under and/or are pregnant, blind, or in a nursing facility are eligible for an eye exam every twelve months. MO HealthNet participants age 21 and over are eligible for an eye exam every twenty-four months. Participants may be eligible for eye exams within the stated time periods if the participant has a .50 diopter change in one or both eyes. MO HealthNet eligible participants are allowed one pair of complete eye glasses every two years. Participants that have a .50 diopter change within the stated time periods may be eligible to receive a new lens. Copay (a charge for a small portion of the cost of the service), and applies to individuals age 19 and over with the exceptions of foster care children and institutional residents. An optometrist is used as a consultant for this program. The consultant reviews prescriptions that do not meet the program criteria.

<u>Durable Medical Equipment (DME)</u> - MO HealthNet reimburses qualified participating DME providers for certain items of durable medical equipment such as: prosthetics, diabetic supplies and equipment, oxygen and respiratory care equipment, ostomy supplies, wheelchairs, wheelchair accessories, labor and repair codes. These items must be for use in the participant's home when ordered in writing by the participant's physician or nurse practitioner and are covered for all MO HealthNet participants.

The following items are covered for MO HealthNet participants: apnea monitors, artificial larynx and related items, augmentative communications devices, canes, crutches, commodes, bed pans, urinals, CPAP devices, decubitus care equipment, hospital beds, side rails, humidifiers, BiPAP machines, IPPB machines, nebulizers, orthotics, patient lifts and trapeze, scooters, suction pumps, total parenteral nutrition mix, supplies and equipment, and walkers. Although an item is classified as DME, it may not be covered in every instance. Coverage is based on the fact that the item is reasonable and necessary for treatment of an illness or injury, or to improve the functioning of a malformed or permanently inoperative body part, the equipment meets the definition of durable medical equipment or prosthesis, and the equipment is used in the participant's home.

Even though a DME item may serve some useful medical purpose, consideration must be given by the physician and the DME supplier to what extent, if any, it is reasonable for MO HealthNet to pay for the item as opposed to another realistically feasible alternative pattern of care. Consideration should also be given by the physician and the DME provider as to whether the item serves essentially the same purpose as equipment already available to the participant. If two different items each meet the need of the participant, the less expensive item must be employed, all other conditions being equal. Equipment features of an aesthetic or medical nature which are not medically necessary are not reimbursable.

Ambulance - Emergency medical transportation is provided under the ambulance program. Ambulance services are covered if they are emergency services and transportation is made to the nearest appropriate hospital. Certain specified non-emergency but medically necessary ambulance transports are also covered. Reimbursement is provided for the base charge (the lesser of the MO HealthNet maximum allowed amount or billed charge) for patient pick-up and transportation to destination (mileage for transporting a patient beyond the five miles is not included in the base charge), mileage, and ancillary services related to emergency situations. Ambulance services can be provided through ground or air transportation (helicopter/fixed wing) if medically necessary. All MO HealthNet participants are eligible for ambulance services.

Rehabilitation Center - The rehabilitation center program pays for adaptive training of MO HealthNet participants who have prosthetic/orthotic devices. Covered services include: comprehensive evaluation, stump conditioning, prosthetic training, and orthotic training, speech therapy for artificial larynx and occupational therapy related to the prosthetic/orthotic adaption. These procedures are covered by MO HealthNet even when the prosthetic/orthotic service was not provided through the MO HealthNet program.

Augmentative communication devices and training are covered and include the cost of the device, accessories, evaluation, and training. Training is also covered for the following prosthetic devices: artificial arms, artificial legs, artificial larynx, and orthotics.

Hospice - The hospice benefit is designed to meet the needs of patients with a life-limiting illness and to help their families cope with the problems and feelings related to this difficult time. Reimbursement is limited to qualified MO HealthNet enrolled hospice providers rendering services to terminally ill patients who have elected hospice benefits. After the participant elects hospice services, the hospice provides for all care, supplies, equipment, and medicines related to the terminal illness. MO HealthNet reimburses the hospice provider who then reimburses the provider of the services if the services are not provided by the hospice provider. However, hospice services for a child (ages 0-20) may be concurrent with the care related to the curative treatment of the child's condition for which a diagnosis of a terminal illness has been made.

MO HealthNet reimburses for routine home care, continuous home care, general inpatient, inpatient respite, and nursing home room and board, if necessary. Hospice rates are authorized by Section 1814 (I)(1)(C)(ii) of the Social Security Act and provide for an annual increase in the payment rates for hospice care services. The MO HealthNet rates are calculated based on the annual hospice rates established by Medicare. In addition, the Social Security Act also provides for an annual increase in the hospice cap amounts. Nursing Home room and board is reimbursed to the hospice provider at 95% of the nursing home rate on file. The hospice is responsible for paying the nursing home. All MO HealthNet participants are eligible for hospice services.

<u>Comprehensive Day Rehabilitation</u> - This program covers services for certain persons with disabling impairments as the result of a traumatic head injury. It provides intensive, comprehensive services designed to prevent and/or minimize chronic disabilities while restoring the individual to an optimal level of physical, cognitive, and behavioral function within the context of the person, family, and community.

The program emphasizes functional living skills, adaptive strategies for cognitive, memory or perceptual deficits, and appropriate interpersonal skills. These services help to train individuals so that the person can leave the rehabilitation center and re-enter society. Services are designed to maintain and improve the participant's ability to function as independently as possible in the community. Services for this program must be provided in a free-standing rehabilitation center or in an acute hospital setting with space dedicated to head injury rehabilitation. Eligibility for this program is limited to individuals who are under the age of 21, pregnant women, blind persons or nursing home residents. These individuals must receive prior authorization from the MO HealthNet Division. Reimbursement is made for either a full day or a half day of services.

#### Clinical Management Services Program (CMSP)

Through a contract with ACS Heritage, MHD operates an innovative electronic web-based clinical editing process for its point-of-sale pharmacy and medical claims, medical and drug prior authorization, and Drug Utilization Review (DUR) processes. The current CMSP claim processing system allows each claim to be referenced against the participant's claims history including pharmacy, medical, and procedural data (ICD-9 and CPT codes), providing real time data to participating MO HealthNet providers. For patients that meet approval criteria, the claim will be paid automatically. In instances when a phone call is necessary, the hotline call center is available seven days a week, which allows providers prompt access to a paid claim for the requested product or service. In addition to receiving messages regarding the outcome of the processing of claims and the amount to be reimbursed, pharmacy providers receive prospective drug use review alert messages at the time prescriptions are dispensed.

The contract with ACS-Heritage utilizes their CyberAccess<sup>SM</sup> tool to create integrated patient profiles containing prescription information, as well as patient diagnoses and procedure codes for a running 24 months of history. CyberAccess<sup>SM</sup> provides: participant claims history profiles, updated daily, identifying all drugs, procedures, related diagnoses and ordering providers from claims paid by MHD for a rolling 36 month period; and three years of point of sale (POS) pharmacy claims refreshed every ten (10) minutes. MO HealthNet is in the process of adding precertification modules for the following services: psychology, home and community based services, DME, and imaging.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152; Federal law: Social Security Act Section 1905(a)(12) and (18), 1905(o); Federal regulation: 42 CFR 410.40, 418, 431.53, 440.60, 440.120, 440.130 and 440.170.

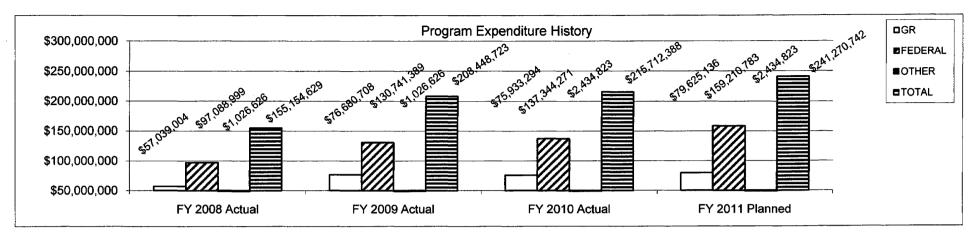
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 was a blended 63.595% federal match. The state matching requirement is 36.405%.

## 4. Is this a federally mandated program? If yes, please explain.

This program is not mandatory for adults but is mandatory for children.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



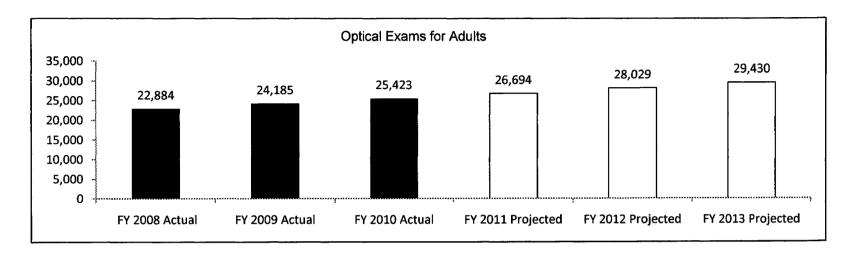
Reserve: \$13,253,353 Federal and Other Funds Reverted: \$1,805,846 GR and Other Funds

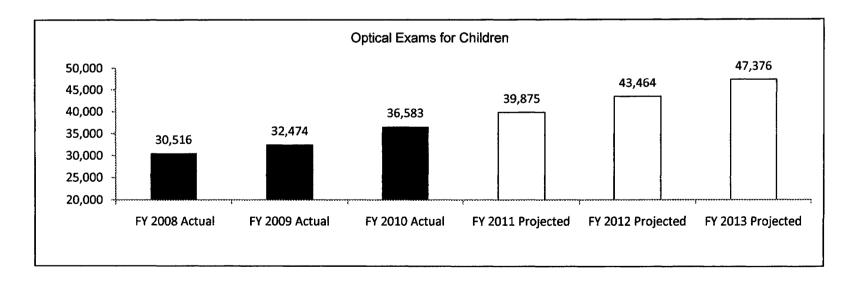
## 6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275), Healthy Families Trust Fund (0625), Nursing Facility Federal Reimbursement Allowance (0196) for FY 10 and forward and Ambulance Service Reimbursement Allowance (0958) for FY 11.

#### 7a. Provide an effectiveness measure.

Effectiveness Measure 2: Provide optical exams to MO HealthNet eligibles. Children and adults who are pregnant, blind, or in a nursing facility are eligible for an eye exam every twelve months. All other adults are eligible for one eye exam every twenty-four months. In state fiscal year 2010, over 25,000 optical examinations were provided to adults, and over 36,500 optical examinations were provided to eligible children.

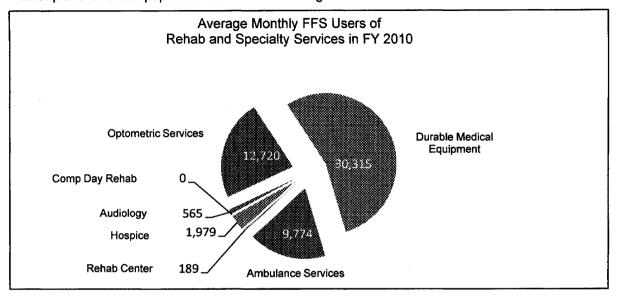


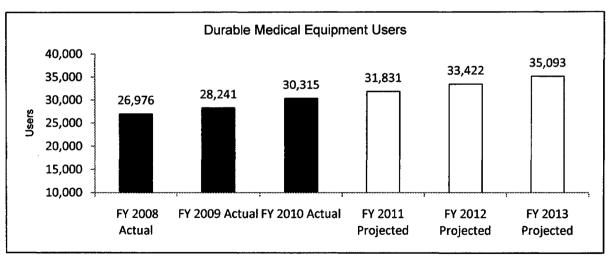


7b. Provide an efficiency measure.

## 7c. Provide the number of clients/individuals served, if applicable.

In regions of the state with access to MO HealthNet Managed Care, rehab and specialty services are available through the MO HealthNet Managed Care health plans for those populations enrolled in Managed Care.





## 7d. Provide a customer satisfaction measure, if available.

## NEW DECISION ITEM RANK: 13

Budget Unit: 90550C

**Division: MO HealthNet** Di Name: Hospice Rate Increase DI#: 1886009 1. AMOUNT OF REQUEST FY 2012 Budget Request FY 2012 Governor's Recommendation GR GR Other Total Federal Other **Total** Federal PS PS EE ΕE **PSD** 144,737 249,858 394,595 **PSD** 144,380 250.215 394,595 **TRF** TRF 144.737 249,858 144,380 250.215 394,595 394,595 Total Total 0.00 FTE 0.00 FTE Est. Fringe 0 0 0 Est. Fringe Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation. directly to MoDOT, Highway Patrol, and Conservation. Other Funds: Other Funds: 2. THIS REQUEST CAN BE CATEGORIZED AS:

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is needed to apply the annual hospice rate increase as established by Medicare.

**Department: Social Services** 

New Legislation

Federal Mandate

GR Pick-Up

Pay Plan

The MO HealthNet hospice rates are calculated based on the annual hospice rates established under Medicare, Section 1814(j)(1)(ii). The Act provides for an annual increase in payment rates for hospice care services.

**New Program** 

Space Request

Other: Inflation

Program Expansion

Fund Switch

Cost to Continue

Equipment Replacement

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

MO HealthNet reimbursement for hospice care is made at one of four predetermined rates for each day in which an individual is under the care of the hospice. The four levels of care are routine home care, continuous home care, inpatient respite care, or general inpatient care. The rate paid for any day may vary, depending on the level of care furnished. Payment rates are adjusted for regional differences in wages.

An increase of 2.81% is requested. An increase of 2.5% was applied to actual FFY 10 units to arrive at the FFY 12 projected units of service. The projected units of service was multiplied by the projected increase in rates to arrive at the total need.

Hospice rates are adjusted in October which is the beginning of the federal fiscal year and is three months into the state's fiscal year. This request includes the three months of FFY 11 that fall within SFY 12 - estimated impact of \$96,596. The twelve-months estimated increase for the FFY 12 rate adjustment is \$397,332. This total is then multiplied by 9/12 to arrive at the SFY 12 impact of \$297,999. The total request for SFY 12 is \$394,595 (3 months totaling \$96,596 plus 9 months totaling \$297,999).

July 2011 through Sept. 2011 Increase	
Oct. 2011 through June 2012 Increase	
Total	

Total	GR	Federal
96,596	35,461	61,135
297,999	109,276	188,723
\$394,595	\$144,737	\$249,858

FMAP 63.29% Quarter 1 (July through September) FMAP 63.33% Quarters 2-4 (October through June)

## Governor's Recommendations:

Governor's Recommendations include the updated FMAP percentage that the federal government will use.

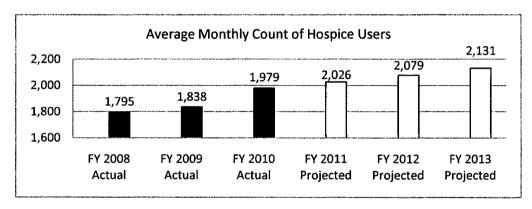
	Total	GR	Federal
July 2011 through Sept. 2011 Increase	96,596	35,461	61,135
Oct. 2011 through June 2012 Increase	297,999	108,919	189,080
Total	\$394,595	\$144,380	\$250,215

FMAP 63.29% Quarter 1 (July through September) FMAP 63.45% Quarters 2-4 (October through June)

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.											
	Dept Req	Dept Req	Dept Req	Dept Req	Dept Req	Dept Req	Dept Req	Dept Req	Dept Req		
	GR	GR	FED	FED	OTHER	OTHER	TOTAL	TOTAL	One-Time		
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0		
Total EE	0		0		0		0		0		
Total EE	U		ŭ		U		v		•		
Program Distributions	144,737		249,858		0		394,595				
Total PSD	144,737		249,858		0		394,595		0		
Transfers											
Total TRF	0		0		0		0		0		
Total Tixi	·		ŭ		ŭ		v		·		
Grand Total	144,737	0.0	249,858	0.0	0	0.0	394,595	0.0	0		
5. BREAK DOWN THE REQUEST BY	Gov Rec	CT CLASS, JOB	Gov Rec	Gov Rec	Gov Rec	Gov Rec	STS. Gov Rec	Gov Rec	Gov Rec		
	GR	Gov Rec GR		FED	OTHER	OTHER	TOTAL	TOTAL	One-Time		
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS		
Total BS	0	0.0				0.0	•	0.0			
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0		
				0.0				0.0			
Total PS  Total EE	0		0	0.0	0		0	0.0	0		
	0		0				0	0.0			
Total EE								0.0			
Total EE Program Distributions Total PSD	<b>0</b> 144,380		<b>0</b> 250,215		0		<b>0</b> 394,595	0.0	0		
Total EE Program Distributions Total PSD Transfers	0 144,380 <b>144,380</b>		0 250,215 <b>250,215</b>		0		0 394,595 <b>394,595</b>	0.0	0		
Total EE Program Distributions Total PSD	<b>0</b> 144,380		<b>0</b> 250,215		0		<b>0</b> 394,595	0.0	0		
Total EE Program Distributions Total PSD Transfers	0 144,380 <b>144,380</b>		0 250,215 <b>250,215</b>		0		0 394,595 <b>394,595</b>	0.0	0		

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

- 6a. Provide an effectiveness measure.
- 6b. Provide an efficiency measure.
- 6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

## 7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

FY12 Department of Social Service							ECISION ITE	
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011 BUDGET	FY 2012	FY 2012	FY 2012 GOV REC	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET		DEPT REQ	DEPT REQ		<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REHAB AND SPECIALTY SERVICES								
Hospice Rate Increase - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	394,595	0.00	394,595	0.00
TOTAL - PD	0	0.00	0	0.00	394,595	0.00	394,595	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$394,595	0.00	\$394,595	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$144,737	0.00	\$144,380	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$249,858	0.00	\$250,215	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Summary	ACTUAL	ACTUAL	BUDGET					
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NON-EMERGENCY TRANSPORT								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	11,095,693	0.00	11,396,432	0.00	11,396,432	0.00	10,720,683	0.00
TITLE XIX-FEDERAL AND OTHER	25,626,328	0.00	24,363,156	0.00	24,363,156	0.00	24,363,156	0.00
TOTAL - PD	36,722,021	0.00	35,759,588	0.00	35,759,588	0.00	35,083,839	0.00
TOTAL	36,722,021	0.00	35,759,588	0.00	35,759,588	0.00	35,083,839	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	35,793	0.00	304,981	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	61,790	0.00	528,527	0.00
TOTAL - PD	0	0.00	0	0.00	97,583	0.00	833,508	0.00
TOTAL	0	0.00	0	0.00	97,583	0.00	833,508	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	392,610	0.00	268,217	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	677,756	0.00	464,817	0.00
TOTAL - PD	0	0.00	0	0.00	1,070,366	0.00	733,034	0.00
TOTAL	0	0.00	0	0.00	1,070,366	0.00	733,034	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	675,749	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	675,749	0.00
TOTAL	0	0.00	0	0.00	0	0.00	675,749	0.00
GRAND TOTAL	\$36,722,021	0.00	\$35,759,588	0.00	\$36,927,537	0.00	\$37,326,130	0.00

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## **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90561C

Division: MO HealthNet

Core: Non-Emergency Medical Transportation (NEMT)

		FY 2012 Budg	et Request			FY 2	012 Governor's	Recommendat	ion
Γ	GR	Federal	Other	Total	ſ	GR	Federal	Other	Total
PS ~					PS				
E					EE				
SD	11,396,432	24,363,156		35,759,588	PSD	10,720,683	24,363,156		35,083,839
RF					TRF				
Γotal _	11,396,432	24,363,156		35,759,588	Total	10,720,683	24,363,156		35,083,839
TE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
Note: Fringes	budgeted in Hous	e Bill 5 except for	certain fringes bu	idgeted directly	Note: Fringes	budgeted in Hous	se Bill 5 except fo	r certain fringes	budgeted
to MoDOT, Hig	hway Patrol, and	Conservation.			directly to MoL	DOT, Highway Pai	trol, and Conserva	ation.	

Other Funds:

Other Funds:

#### 2. CORE DESCRIPTION

This core request is to provide funding for payments for non-emergency medical transportation.

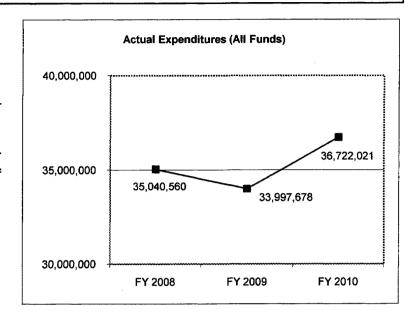
## 3. PROGRAM LISTING (list programs included in this core funding)

Non-Emergency Medical Transportation (NEMT)



## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	38,260,439	40,707,690	38,444,322	35,759,588
Less Reverted (All Funds)	0	(1,490,144)	(271,640)	N/A
Budget Authority (All Funds)	38,260,439	39,217,546	38,172,682	N/A
Actual Expenditures (All Funds)	35,040,560	33,997,678	36,722,021	N/A
Unexpended (All Funds)	3,219,879	5,219,868	1,450,661	N/A
Unexpended, by Fund:				
General Revenue	747,111	140,242	32,670	N/A
Federal	2,472,768	5,079,629	1,417,991	N/A
Other	0	0	0	N/A
			(1)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

(1) Agency reserve of \$128,360 in the Federal Fund.

#### **CORE RECONCILIATION DETAIL**

## DEPARTMENT OF SOCIAL SERVICES

NON-EMERGENCY TRANSPORT

## 5. CORE RECONCILIATION DETAIL

		Budget						
		Class	FTE	GR	Federal	Other	Total	
TAFP AFTER VETO	DES							
		PD	0.00	11,396,432	24,363,156	0	35,759,58	}
		Total	0.00	11,396,432	24,363,156	0	35,759,58	} =
DEPARTMENT CO	RE REQUEST							
		PD	0.00	11,396,432	24,363,156	0	35,759,58	}
		Total	0.00	11,396,432	24,363,156	0	35,759,58	- }
GOVERNOR'S ADI	DITIONAL COR	E ADJUST	MENTS					
Core Reduction	2208 5928	PD	0.00	(675,749)	0	0	(675,749	)
NET G	OVERNOR CH	ANGES	0.00	(675,749)	0	0	(675,749	)
GOVERNOR'S REC	COMMENDED	CORE						
		_PD	0.00	10,720,683	24,363,156	0	35,083,839	1
		Total	0.00	10,720,683	24,363,156	0	35,083,839	- 

FY12 Department of Social Services Report #10

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
NON-EMERGENCY TRANSPORT									
CORE									
PROGRAM DISTRIBUTIONS	36,722,021	0.00	35,759,588	0.00	35,759,588	0.00	35,083,839	0.00	
TOTAL - PD	36,722,021	0.00	35,759,588	0.00	35,759,588	0.00	35,083,839	0.00	
GRAND TOTAL	\$36,722,021	0.00	\$35,759,588	0.00	\$35,759,588	0.00	\$35,083,839	0.00	
GENERAL REVENUE	\$11,095,693	0.00	\$11,396,432	0.00	\$11,396,432	0.00	\$10,720,683	0.00	
FEDERAL FUNDS	\$25,626,328	0.00	\$24,363,156	0.00	\$24,363,156	0.00	\$24,363,156	0.00	
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Non-Emergency Medical Transportation (NEMT)

Program is found in the following core budget(s): Non-Emergency Medical Transportation (NEMT)

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payments for non-emergency medical transportation (NEMT) for MO HealthNet participants who do not have access to free transportation to scheduled MO HealthNet covered services.

The purpose of the NEMT program is to ensure non-emergency medical transportation to MO HealthNet participants who do not have access to free appropriate transportation (can use free community resources or other free programs) to scheduled MO HealthNet covered services. The participant is to be provided with the most appropriate mode of transportation. As of November 2005, the service is provided as a direct state plan service. The state contracts with a statewide broker and pays monthly capitation payments for each NEMT participant based on which of the four regions of the state in which the participant resides.

Missouri's program utilizes and builds on the existing transportation networks in the state. Managed Care providers are required to include NEMT in their benefit package.

Where appropriate and possible, the MO HealthNet Division enters into cooperative agreements to provide matching MO HealthNet funds for state and local general revenue already being used to transport MO HealthNet participants to medical services. Participants are required to use public entity transportation when available. When they do so, the payments are made by public entities on a per trip basis. By working with existing governmental entities and established transportation providers, NEMT is provided in a cost-effective manner and governmental agencies are able to meet the needs of their constituency.

The MO HealthNet Division works with the following state and local agencies to provide federal matching funds for general revenue used for NEMT services: the Children's Division for children in state care and custody, the Department of Mental Health, public school districts, St. Louis Metro Call-A-Ride, Kansas City Area Transit Authority, the City of Columbia, City Utilities of Springfield, City of Jefferson and the Missouri Kidney Program.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, Federal regulation: 42 CFR 431.53 and 440.170

## 3. Are there federal matching requirements? If yes, please explain.

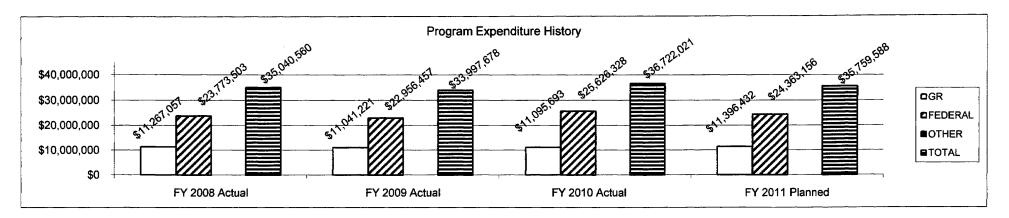
NEMT services receive a federal medical assistance percentage (FMAP) on program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

Services provided through public entities use state and local general revenue to transport MO HealthNet participants. MO HealthNet provides payment of the federal share for these services. These expenditures earn a 50% federal match.

#### 4. Is this a federally mandated program? If yes, please explain.

Yes, state Medicaid programs must assure availability of medically necessary transportation.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

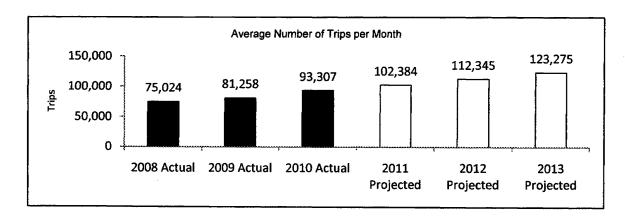


#### 6. What are the sources of the "Other" funds?

N/A

#### 7a. Provide an effectiveness measure.

Effectiveness Measure: Provide non-emergency medical transportation to MO HealthNet participants to increase access to health care. There were 93,307 NEMT trips per month provided through the contractor in SFY 2010.



#### 7b. Provide an efficiency measure.

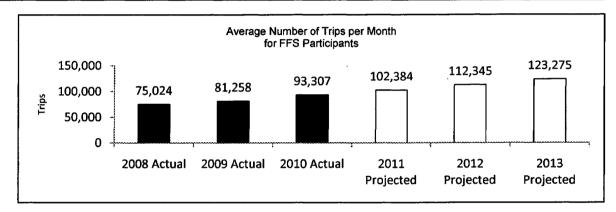
Efficiency Measure: MO HealthNet paid a total of \$36,722,021 in SFY 2010 for NEMT services.

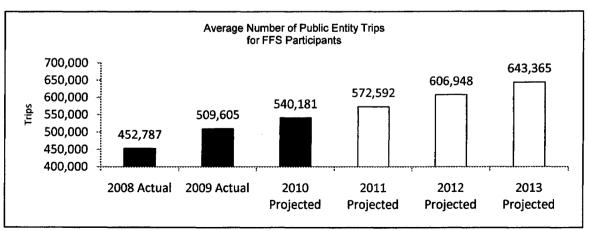
NEMT Payments									
Provider	SFY08	SFY09	SFY10						
Private Contractor	\$ 29,834,820	\$29,841,994	\$30,985,403						
Public Entities (federal only)	\$ 5,205,740	\$ 4,155,684	\$ 5,736,618						
TOTAL	\$ 35,040,560								

#### 7c. Provide the number of clients/individuals served, if applicable.

Non-emergency medical transportation is available to MO HealthNet participants who are eligible under a federal aid category. Those participating under a state only funded category or under a Title XXI expansion category are not eligible for NEMT services. Participants in Managed Care receive the NEMT benefit but are not included in the chart.

Public entities have interagency agreements with the MO HealthNet Division to provide access to transportation services for a specific group of participants, such as dialysis patients, persons with disabilities, or the elderly. Public entities use state and local dollars to draw down the federal matching funds.





Prior year numbers have been updated with more accurate data.

## 7d. Provide a customer satisfaction measure, if available.

The proportion of complaints to the number of trips provided by the contractor remains below 1%.

	NEMT Complaint to Trip Ratio (Contractor Trips)											
	Actual Projection											
	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013						
Trips	862,168	975,341	1,119,686	1,228,608	1,348,140	1,479,300						
Complaints	2,253	3,180	2,606	2,613	2,620	2,627						
% Complaints	<1%	<1%	<1%	<1%	<1%	<1%						

Prior year numbers have been updated with more accurate data.

**FY12 Department of Social Services Report #9** 

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MANAGED CARE								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	247,514,485	0.00	265,111,748	0.00	260,111,748	0.00	260,111,748	0.0
TITLE XIX-FEDERAL AND OTHER	687,099,528	0.00	690,505,248	0.00	681,770,871	0.00	678,665,081	0.00
FEDERAL REIMBURSMENT ALLOWANCE	93,533,441	0.00	93,533,441	0.00	93,533,441	0.00	93,533,441	0.00
MO HEALTHNET MANAGED CARE ORG	14,478,461	0.00	1	0.00	1	0.00	1	0.00
HEALTH INITIATIVES	7,813,428	0.00	8,055,080	0.00	8,055,080	0.00	8,055,080	0.00
HEALTHY FAMILIES TRUST	4,447,110	0.00	4,447,110	0.00	4,447,110	0.00	4,447,110	0.00
LIFE SCIENCES RESEARCH TRUST	0	0.00	7,272,544	0.00	7,272,544	0.00	7,272,544	0.00
TOTAL - PD	1,054,886,453	0.00	1,068,925,172	0.00	1,055,190,795	0.00	1,052,085,005	0.00
TOTAL	1,054,886,453	0.00	1,068,925,172	0.00	1,055,190,795	0.00	1,052,085,005	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,147,391	0.00	16,603,713	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,124,520	0.00	0,000,710	0.00
TOTAL - PD		0.00		0.00	4,271,911	0.00	16,603,713	0.00
TOTAL		0.00		0.00	4,271,911	0.00	16,603,713	0.00
WO 11 - W N 1 O					. ,			
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC			_		10 100 170		0.070.040	0.00
GENERAL REVENUE	0	0.00	0	0.00	13,499,158	0.00	9,370,346	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	23,303,346	0.00	16,238,688	0.00
TOTAL - PD	0	0.00	0	0.00	36,802,504	0.00	25,609,034	0.00
TOTAL	0	0.00	0	0.00	36,802,504	0.00	25,609,034	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	3,105,790	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	3,105,790	0.00
TOTAL		0.00		0.00		0.00	3,105,790	0.00

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# FY12 Department of Social Services Report #9

## **DECISION ITEM SUMMARY**

GRAND TOTAL	\$1,054,886,45	3 0.00	\$1,068,925,172	0.00	\$1,096,265,210	0.00	\$1,170,243,613	0.00
TOTAL		0.00	0	0.00	0	0.00	72,840,071	0.00
TOTAL - PD		0.00	0	0.00	0	0.00	72,840,071	0.00
TITLE XIX-FEDERAL AND OTHER	<u> </u>	0.00	0	0.00	0	0.00	46,187,889	0.00
PROGRAM-SPECIFIC GENERAL REVENUE	ı	0.00	0	0.00	0	0.00	26,652,182	0.00
Managed Care Actuarial Inc - 1886018								
MANAGED CARE								
Budget Object Summary Fund	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Unit								

#### **CORE DECISION ITEM**

Department: Social Services Division: MO HealthNet

Division: MO HealthNet Core: Managed Care

Budget Unit: 90551C

I. CORE FIN	IANCIAL SUMMA	FY 2012 Bud	not Pogueet				EV 1	2012 Governor's	Pacammenda	tion	
	GR I	Federal	Other	Total			GR I	Federal Federal	Other	Total	٦
PS	<u> </u>	i oderai	<u> </u>	Total		PS	U. I	1000101	<u> </u>		
EE						EE					
PSD	260,111,748	681,770,871	113,308,176	1,055,190,795	Ε	PSD	260,111,748	678,665,081	113,308,176	1,052,085,005	Ε
TRF						TRF					_
Total	260,111,748	681,770,871	113,308,176	1,055,190,795	E	Total	260,111,748	678,665,081	113,308,176	1,052,085,005	_E
FTE				0.00		FTE			<del>-</del>	0.00	)
Est. Fringe	0 1	0	0	0		Est. Fringe	0	ol	0	0	Л
Note: Fringes	s budgeted in Hous ighway Patrol, and		r certain fringes b			Note: Fringes	s budgeted in Hou DOT, Highway Pa	•		s budgeted	
	MO HealthNet Ma Health Initiatives F Federal Reimburs Healthy Families 1 Life Sciences (076	Fund (HIF) (0275) sement Allowance Trust Fund (0625)	Fund (FRA) (014	,			MO HealthNet Ma Health Initiatives Federal Reimburn Healthy Families Life Sciences (07	Fund (HIF) (0275 sement Allowanc Trust Fund (0625	5) e Fund (FRA) (0	·	60)
Note:	An "E" is requeste Reimbursement A	•	l Care Organizati	on			An "E" is requeste Reimbursement	_	ed Care Organiz	ation	

## 2. CORE DESCRIPTION

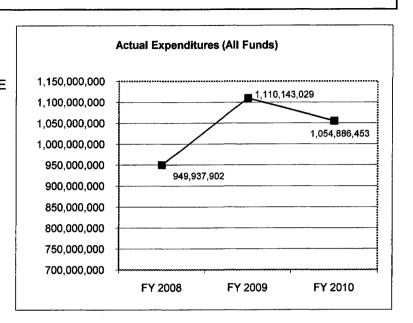
This core request is for the continued funding of the Managed Care program to provide health care services to the MO HealthNet managed care population.

## 3. PROGRAM LISTING (list programs included in this core funding)

Managed Care

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	999,330,249	1,116,494,035	1,055,128,105	1,068,925,172 E
Less Reverted (All Funds)	0	(6,308,415)	(241,652)	N/A
Budget Authority (All Funds)	999,330,249	1,110,185,620	1,054,886,453	N/A
Actual Expenditures (All Funds)	949,937,902	1,110,143,029	1,054,886,453	N/A
Unexpended (All Funds)	49,392,347	42,591	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	35,392,347	0	0	N/A
Other	14,000,000	42,591	0	N/A
	(1)		(2) (3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for the Managed Care Organization Reimbursement Allowance fund appropriation.

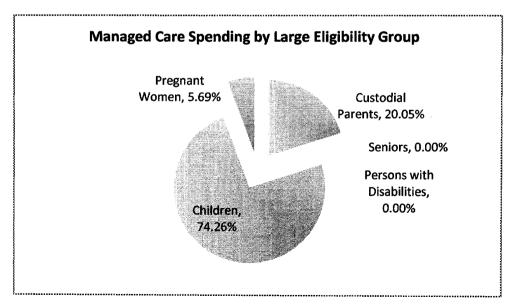
- (1) Agency reserve of \$10,000,000 in FRA.
- (2) Expenditures of \$17,865,128 were paid from the Supplemental Pool.
- (3) "E" increase of \$3,000,305 in the Managed Care Organization Reimbursement Allowance Fund appropriation.

#### 4. FINANCIAL HISTORY

Cost Per Eligible - Per Member Per Month (PMPM)								
	Managed Care PMPM***	Acute Care PMPM	988	Managed Care Managed Care Percentage of Percentage of Acute Total				
PTD	\$0.00	\$911.73	\$1,541.10	0.00% 0.00%				
Seniors	\$0.00	\$335.72	\$1,357.76	0.00% 0.00%				
Custodial Parents	\$203.26	\$399.46	\$410.83	50.88% 49.48%				
Children**	\$132.21	\$245.08	\$267.46	53.95% 49.43%				
Pregnant Women	\$162.19	\$523.13	\$529.42	31.00% 30.64%				

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics. Does not include add-on payments.

<sup>\*\*\*</sup> Includes EPSDT services



Source: Table 23 Medical Statistics for Fiscal Year 2010

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for managed care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the managed care PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for managed care. It provides a snapshot of what eligibility groups are enrolled in managed care, as well as the populations impacted by program changes.

<sup>\*\*</sup> CHIP eligibles not included

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**MANAGED CARE** 

## 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	DES								
			PD	0.00	265,111,748	690,505,248	113,308,176	1,068,925,172	
			Total	0.00	265,111,748	690,505,248	113,308,176	1,068,925,172	
DEPARTMENT CO	RE ADJU	STME	NTS						
Core Reduction	977 1	1784	PD	0.00	0	(8,734,377)	0	(8,734,377)	FY11 Expenditure restriction for bringing capitated payments to bottom of range
Core Reduction	977 1	1783	PD	0.00	(5,000,000)	0	0	(5,000,000)	FY11 Expenditure restriction for bringing capitated payments to bottom of range
NET D	EPARTM	ENT C	HANGES	0.00	(5,000,000)	(8,734,377)	0	(13,734,377)	
DEPARTMENT CO	RE REQU	EST							
			PD	0.00	260,111,748	681,770,871	113,308,176	1,055,190,795	
			Total	0.00	260,111,748	681,770,871	113,308,176	1,055,190,795	•
GOVERNOR'S ADD	DITIONAL	COR	E ADJUSTI	MENTS		<del></del>			
Core Reduction	2219 1	784	PD	0.00	0	(3,105,790)	0	(3,105,790)	
NET G	OVERNO	R CH	ANGES	0.00	0	(3,105,790)	0	(3,105,790)	
GOVERNOR'S REC	OMMENI	DED (	CORE						
			PD	0.00	260,111,748	678,665,081	113,308,176	1,052,085,005	
			Total	0.00	260,111,748	678,665,081	113,308,176	1,052,085,005	

FY12 Department of Social Service	es Report #1	0				[	DECISION ITE	MULIAIL
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MANAGED CARE								
CORE								
PROGRAM DISTRIBUTIONS	1,054,886,453	0.00	1,068,925,172	0.00	1,055,190,795	0.00	1,052,085,005	0.00
TOTAL - PD	1,054,886,453	0.00	1,068,925,172	0.00	1,055,190,795	0.00	1,052,085,005	0.00
GRAND TOTAL	\$1,054,886,453	0.00	\$1,068,925,172	0.00	\$1,055,190,795	0.00	\$1,052,085,005	0.00
GENERAL REVENUE	\$247,514,485	0.00	\$265,111,748	0.00	\$260,111,748	0.00	\$260,111,748	0.00
FEDERAL FUNDS	\$687,099,528	0.00	\$690,505,248	0.00	\$681,770,871	0.00	\$678,665,081	0.00
OTHER FUNDS	\$120,272,440	0.00	\$113,308,176	0.00	\$113,308,176	0.00	\$113,308,176	0.00

			`			

#### PROGRAM DESCRIPTION

Department: Social Services
Program Name: Managed Care

Program is found in the following core budget(s): Managed Care

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides funding for capitation payments to managed care plans on behalf of MO HealthNet participants enrolled in managed care.

The MO HealthNet Division operates an HMO-style managed care program, MO HealthNet Managed Care. MO HealthNet Managed Care health plans contract with the state and are paid a monthly capitation payment for providing services for each enrollee. Participation in MO HealthNet Managed Care is mandatory for certain MO HealthNet eligibility groups within the regions in operation. The mandatory groups are: MO HealthNet for Families-Adults and Children, MO HealthNet for Children, Refugees, MO HealthNet for Pregnant Women, Children in State Care and Custody, and Children's Health Insurance Program (CHIP). Those participants who receive Supplemental Security Income (SSI), meet the SSI medical disability definition, or get adoption subsidy benefits may stay in MO HealthNet Managed Care or may choose to receive services on a fee-for-service basis. The MO HealthNet Managed Care program has been operating in the Eastern Region since September 1, 1995, in the Central Region since March 1, 1996, and in the Western Region since January 1, 1997. Effective January 1, 2008 the state introduced the MO HealthNet Managed Care program in seventeen counties contiguous to the existing three MO HealthNet Managed Care regions.

The MO HealthNet Managed Care program is subject to an approved federal 1915(b) waiver and an approved CHIP State Plan Amendment. These include a cost projection and a budget neutrality projection. An independent evaluation of the MO HealthNet Managed Care program is required with respect to access to care and quality of services that must be submitted to the Centers for Medicare and Medicaid Services. At the end of the waiver period or at prescribed intervals within the waiver period, the state must demonstrate that their waiver cost projections and budget neutrality projections are reasonable and consistent with statute, regulation and guidance.

Objectives of the MO HealthNet Managed Care program include cost effectiveness, quality of care, contract compliance, and member satisfaction.

Services: In MO HealthNet Managed Care most enrollees receive all the services that the fee-for-service program offers. Examples of services included in the capitation payment paid to health plans are: hospital, physician, emergency medical services, EPSDT services, family planning services, dental, optical, audiology, personal care, adult day health care, and mental health services. Certain services are provided on a fee-for-service basis outside of the capitation payment such as pharmacy services, transplants, and physical, occupational and speech therapy for children if included in an Individualized Education Plan or Individualized Family Service Plan. Department of Health and Senior Services testing services (tests on newborns), certain mental health services, including ICF/MR, community psychiatric rehabilitation services, CSTAR services, and mental health services for children in care and custody are also offered on a fee-for-service basis.

Improvements Over Fee-For-Service: MO HealthNet Managed Care gives MO HealthNet participants a number of advantages over traditional fee-for-service MO HealthNet. Each MO HealthNet Managed Care participant chooses a MO HealthNet Managed Care health plan and a primary care provider from within the network of the health plan. Managed Care participants are guaranteed access to primary care and other services, as needed.

MO HealthNet Managed Care health plans must ensure that routine exams are scheduled within thirty days, urgent care within twenty-four hours, and emergency services must be available at all times. MO HealthNet Managed Care health plans must ensure that children receive all EPSDT exams (complete physicals on a regular schedule), are fully immunized, and receive any medically necessary service. MO HealthNet Managed Care health plans are required to provide case management to ensure that enrollee services, especially children's and pregnant women's are properly coordinated.

MO HealthNet Managed Care provides the means to control costs, but more importantly provides the means to ensure access, manage and coordinate benefits, and monitor quality of care and outcomes.

Quality Assessment: The purpose of quality assessment is to assess the quality of services in the MO HealthNet Managed Care program. Quality assessment utilizes a variety of methods and tools to measure outcomes of services provided. The goal is to monitor health care services provided to MO HealthNet Managed Care members by the MO HealthNet Managed Care health plans, and comply with federal, state and contract requirements. The MO HealthNet Managed Care health plans must meet program standards for quality improvement, systems, member services, provider services, record keeping, organizational structure, adequacy of personnel, access standards, and data reporting as outlined in the MO HealthNet Managed Care contracts. Quality assessment measures are taken from the Health Plan Employer and Data Information Set (HEDIS) and other internally developed measurements. HEDIS is a strong public/private effort that includes a standardized set of measures to assess and encourage the continual improvement in the quality of health care. Specifically, Medicaid HEDIS includes additional quality and access measures which respond more directly to needs of women and children who make up the majority of MO HealthNet Managed Care participants. HEDIS is intended to be used collaboratively by the state agency and the MO HealthNet Managed Care health plans to:

- Provide the state agency with information on the performance of the contracted MO HealthNet Managed Care health plans;
- Assist health plans in quality improvement efforts;
- Support emerging efforts to inform MO HealthNet clients about managed care plan performance; and
- Promote standardization of health plan reporting across the public and private sectors.

An annual report is provided with significant outcomes measured including the following:

- Member complaints and grievances including actions taken and reasons for members changing MO HealthNet Managed Care health plans;
- Utilization review including inpatient/outpatient visits for both physical and mental health;
- Outcome indicators such as diabetes, asthma, low birth weight and mortality;
- EPSDT activities (children's health services) such as the number of well child visits provided; and
- Prenatal activities and services provided.

<u>National Committee for Quality Assurance (NCQA) Accreditation</u>: Effective October 1, 2011, the Managed Care health plans must be NCQA accredited at a level of "accredited" or better, for the MO HealthNet product. The MCOs must maintain such accreditation thereafter and throughout the duration of the contract. The state of Missouri will require all future MO HealthNet Managed Care contractors to be NCQA accredited.

Contract Compliance: Along with quality assessment, monitoring MO HealthNet Managed Care health plan compliance to contractual requirements is a primary method to measure whether the goals of managed care are being met. Contractual compliance monitoring begins with the issuance of the Request for Proposal (RFP) and continues throughout the contract. Contract compliance is measured through a variety of methods. The MO HealthNet Division has a relationship with the Missouri Department of Insurance, Financial Institutions and Professional Registration to analyze MO HealthNet Managed Care health plan provider networks in accordance with 20 CSR 400-7.095 to ensure that the network is adequate to meet the needs of enrollees.

Member Satisfaction: Member satisfaction with the MO HealthNet Managed Care health plans is another method for measuring success of the MO HealthNet Managed Care program. An initial measurement is how many members actually choose their MO HealthNet Managed Care health plan versus MO HealthNet assigning them to MO HealthNet Managed Care health plans. MO HealthNet Managed Care has a high voluntary choice percentage. Since the inception of the MO HealthNet Managed Care program, approximately 10% of enrollees are randomly assigned. Reporting has been developed to continuously monitor how many participants initially choose their MO HealthNet Managed Care health plans as well as which health plans are chosen. Other reporting monitors participants' transfer requests among MO HealthNet Managed Care health plans to identify health plans that have particular problems keeping their participants. MO HealthNet also looks at the number of calls coming into our participant and provider hot lines to assess problem areas with health plans. MO HealthNet Managed Care health plans submit enrollee satisfaction data to the Department of Health and Senior Services in accordance with 19 CSR 10-5.010.

Managed Care Provider Tax: The 93rd Missouri General Assembly, 2005, passed legislation establishing a MO HealthNet managed care organization reimbursement allowance to be paid by all MO HealthNet managed care organizations for the privilege of engaging in the business of providing health benefit services in Missouri. The tax was based on MO HealthNet total revenues. The tax may have been withheld from each managed care organization's capitation payment through an offset or the managed care organization may have sent a check or money order. The provider tax took effect on July 1, 2005, and expired September 30, 2009.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.166; Federal law: Social Security Act Sections 1902(a)(4), 1903(m), 1915(b), 1932; Federal Regulations: 42 CFR 438 and 412.106.

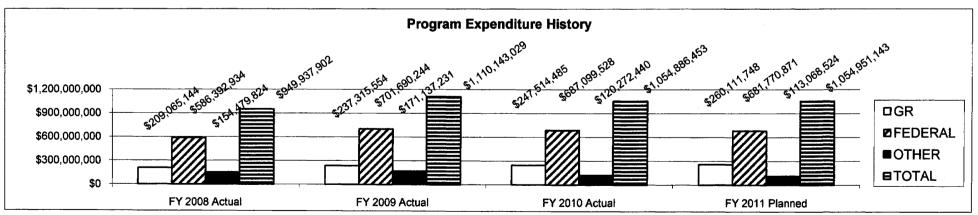
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

#### 4. Is this a federally mandated program? If yes, please explain.

MO HealthNet Managed Care covers most services available to fee-for-service participants. As such, both mandatory and non-mandatory services are included. Services not included in MO HealthNet Managed Care are available on a fee-for-service basis.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY11 Reverted: \$5,000,000 General Revenue Fund and \$241,652 Other Funds.

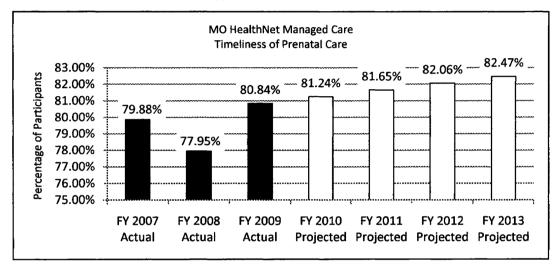
FY11 Reserved: \$8,734,377 Federal Funds.

#### 6. What are the sources of the "Other" funds?

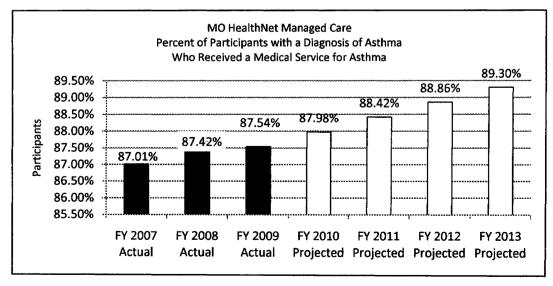
Federal Reimbursement Allowance Fund (0142), Health Initiatives Fund (0275), Medicaid Managed Care Organization Reimbursement Allowance Fund (0160), Healthy Families Trust (0625) and for FY 11 Life Sciences Research Trust Fund (0763).

#### 7a. Provide an effectiveness measure.

Prenatal care is important for monitoring the progress of pregnancy and to identify risk factors for the mother or baby before they become serious and lead to poor outcomes and more expensive health care costs. The diagnosis and treatment of chronic conditions also reduces more expensive health care costs that could result when conditions are left untreated.



Effectiveness Measure 1: Increase the percentage of women receiving early prenatal care. The percentage of women who received prenatal care within the first trimester or within 42 days of enrollment in a health plan was nearly 81% in FY 2009.

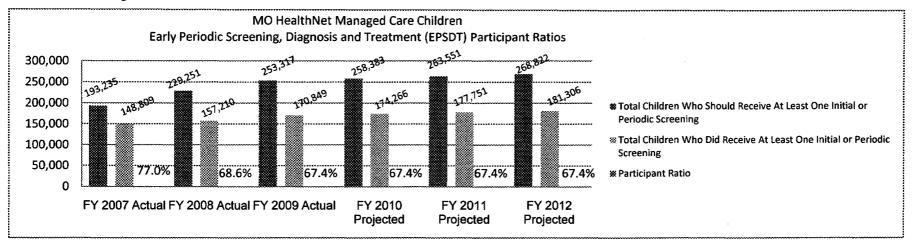


Effectiveness Measure 2: Increase the percentage of participants with chronic conditions who receive treatment for their condition. The percentage of participants with a diagnosis of asthma who received a medical service for asthma was 87.54% in FY 2009.

#### 7b. Provide an efficiency measure.

The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening. The chart below does not include CHIP children.

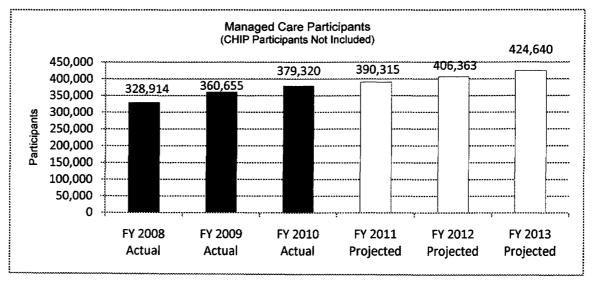
Efficiency Measure: Increase the ratio of children who receive an EPSDT service. In FY 2009, 67% of the children in Managed Care (not including CHIP) received an EPSDT screening.



## 7c. Provide the number of clients/individuals served, if applicable.

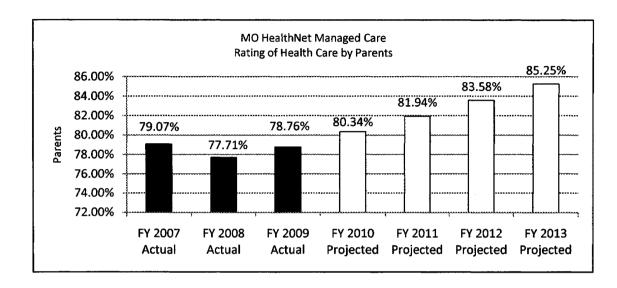
Participation in MO HealthNet Managed Care for those areas of the state where it is available is mandatory for these eligibility categories:

- \* MO HealthNet for Families;
- \* MO HealthNet for Kids;
- \* Refugees;
- \* MO HealthNet for Pregnant Women;
- \* Children in state care and custody; and
- \* CHIP.



## 7d. Provide a customer satisfaction measure, if available.

When parents were asked if they were satisfied with the health care their child received through their MO HealthNet Managed Care plan, nearly 79% responded that they were satisfied in 2009.



Customer Satisfaction Measure: Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.

**FY12 Department of Social Services Report #9** 

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	<b>ACTUAL</b>	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOSPITAL CARE								
CORE								
EXPENSE & EQUIPMENT								
TITLE XIX-FEDERAL AND OTHER	212,006	0.00	215,000	0.00	215,000	0.00	215,000	0.0
FEDERAL REIMBURSMENT ALLOWANCE	212,006	0.00	215,000	0.00	215,000	0.00	215,000	0.0
TOTAL - EE	424,012	0.00	430,000	0.00	430,000	0.00	430,000	0.0
PROGRAM-SPECIFIC								
GENERAL REVENUE	35,925,422	0.00	15,249,439	0.00	15,249,439	0.00	0	0.0
TITLE XIX-FEDERAL AND OTHER	473,906,296	0.00	512,997,492	0.00	512,797,492	0.00	512,797,492	0.0
UNCOMPENSATED CARE FUND	32,483,522	0.00	32,483,522	0.00	32,483,522	0.00	30,657,920	0.0
THIRD PARTY LIABILITY COLLECT	1,062,735	0.00	1,062,735	0.00	1,062,735	0.00	312,174	0.0
FEDERAL REIMBURSMENT ALLOWANCE	148,689,795	0.00	205,498,958	0.00	205,498,958	0.00	205,498,958	0.0
HEALTH INITIATIVES	2,713,264	0.00	2,797,179	0.00	2,797,179	0.00	797,179	0.0
HEALTHY FAMILIES TRUST	32,731,431	0.00	42,731,431	0.00	42,731,431	0.00	40,652,663	0.0
TOTAL - PD	727,512,465	0.00	812,820,756	0.00	812,620,756	0.00	790,716,386	0.0
TOTAL	727,936,477	0.00	813,250,756	0.00	813,050,756	0.00	791,146,386	0.0
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	27,334,297	0.00	13,417,654	0.0
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	47,186,686	0.00	45,530,053	0.0
UNCOMPENSATED CARE FUND	0	0.00	0	0.00	0	0.00	1,825,602	0.0
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	0	0.00	750,561	0.0
HEALTH INITIATIVES	0	0.00	0	0.00	0	0.00	8,200,000	0.0
HEALTHY FAMILIES TRUST	0	0.00	0	0.00	0	0.00	2,078,768	0.0
TOTAL - PD	0	0.00		0.00	74,520,983	0.00	71,802,638	0.00
TOTAL	0	0.00	0	0.00	74,520,983	0.00	71,802,638	0.0
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	22,518,709	0.00	17,590,450	0.0
OFISE AF ME AFINOF	U	0.00	U	0.00	22,510,709	0.00	17,580,450	0.00

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<b>FY12</b>	Department	of Social Service	es Report #9
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## **DECISION ITEM SUMMARY**

GRAND TOTAL	\$727,936,477	0.00	\$813,250,756	0.00	\$948,964,075	0.00	\$912,849,100	0.00
TOTAL	0	0.00	0	0.00	0	0.00	1,825,602	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	1,825,602	0.00
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	. 0	0.00	0	0.00	0	0.00	1,825,602	0.00
FMAP Adjustment - 1886017								
TOTAL	0	0.00	0	0.00	61,392,336	0.00	48,074,474	0.00
TOTAL - PD	0	0.00	0	0.00	61,392,336	0.00	48,074,474	0.00
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	38,873,627	0.00	30,484,024	0.00
MO HealthNet Caseload Growth - 1886007								
HOSPITAL CARE								
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Unit Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012

#### **CORE DECISION ITEM**

**Department: Social Services** Division: MO HealthNet

Core: Hospital Care

Budget Unit: 90552C

GR         Federal         Other         Total         GR         Federal         Other           PS         PS           EE         215,000         215,000         430,000         EE         215,000         215,000           PSD         15,249,439         512,797,492         284,573,825         812,620,756         E         PSD         512,797,492         277,918,89	Total
EE 215,000 215,000 430,000 EE 215,000 215,000	0 430.000
	0 430.000
PSD 15.249.439 512.797.492 284.573.825 812.620.756 E PSD 512.797.492 277.918.89	,
	94 790,716,386 E
TRF	
Total 15,249,439 513,012,492 284,788,825 813,050,756 E Total 513,012,492 278,133,89	4 791,146,386 E

Est. Fringe	0	0	0	0			
Note: Fringes	budgeted in House B	ill 5 except for cert	ain fringes budge	ted directly			
to MoDOT, Highway Patrol, and Conservation.							

Est. Fringe	0	0	0	0			
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted							
directly to MoDOT, Highway Patrol, and Conservation.							

Other Funds: Uncompensated Care Fund (UCF) (0108)

Federal Reimbursement Allowance Fund (FRA) (0142)

Health Initiatives Fund (HIF) (0275)

Third Party Liability Collections Fund (TPL) (0120)

Healthy Families Trust Fund (0625)

An "E" is requested for the appropriation to support trauma center

\$20 million FRA Funds.

Other Funds: Uncompensated Care Fund (UCF) (0108)

Federal Reimbursement Allowance Fund (FRA) (0142)

Health Initiatives Fund (HIF) (0275)

Third Party Liability Collections Fund (TPL) (0120)

Healthy Families Trust Fund (0625)

payments if federal match is available, \$30 million Federal Funds and

Note:

An "E" is requested for the appropriation to support trauma center payments if federal match is available, \$30 million Federal Funds

and \$20 million FRA Funds.

#### 2. CORE DESCRIPTION

Note:

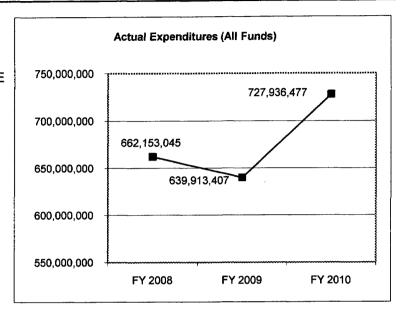
This core request is for ongoing funding to reimburse hospitals for services provided to fee-for-service MO HealthNet participants. Funding for this core is used to maintain hospital reimbursement at a sufficient level to ensure quality health care and provider participation.

## 3. PROGRAM LISTING (list programs included in this core funding)

Inpatient and Outpatient hospital services.

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	692,156,205	697,793,493	788,242,253	813,250,756 E
Less Reverted (All Funds)	0	(83,914)	(10,083,915)	N/A
Budget Authority (All Funds)	692,156,205	697,709,579	778,158,338	N/A
Actual Expenditures (All Funds)	662,153,045	639,913,407	727,936,477	N/A
Unexpended (All Funds)	30,003,160	57,796,172	50,221,861	N/A
Unexpended, by Fund:				
General Revenue	0	7,763,695	0	N/A
Federal	30,001,580	30,000,639	30,209,704	N/A
Other	1,580	20,031,838	20,012,157	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for Federal Fund.

- (1) Expenditures of \$29,831,044 were paid from the Supplemental Pool and expenditures totaling \$20,928,251 were paid from the Managed Care appropriation. FY 2008 federal lapse is for the federal share of trauma payments that DSS could not make (no earnings to support).
- (2) Expenditures of \$6,130,109 were paid from the Supplemental Pool, expenditures totaling \$62,200,877 were paid from the Managed Care appropriation, expenditures totaling \$39,027,031 were paid from the FRA appropriation, and expenditures totaling \$39,424,181 were paid from the Pharmacy appropriation. FY 2009 lapse is for the FRA and federal share of trauma payments that DSS could not make (no earnings to support).
- (3) Expenditures of \$32,443,758 were paid from the Supplemental Pool.

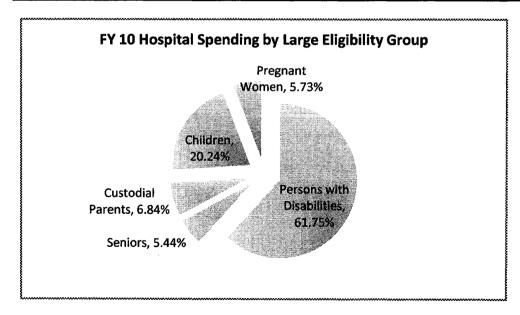
  FY 2010 lapse is for the FRA and federal share of trauma payments that DSS could not make (no earnings to support).

#### 4. FINANCIAL HISTORY

Cost Per Eligible - Per Member Per Month (PMPM)									
	Hospital PMPM*	Acute Care PMPM	Total PMPM	Hospital Hospital Percentage of Acute Fotal					
PTD	\$374.52	\$911.73	\$1,541.10	41.08% 24.30%					
Seniors	\$68.42	•	\$1,357.76	20.38% 5.04%					
<b>Custodial Parents</b>	\$81.87	\$399.46	\$410.83	20.50% 19.93%					
Children**	\$42.57	\$245.08	\$267.46	17 37% 15.92%					
Pregnant Women	\$192.97	\$523.13	\$529.42	36.89% 36.45%					

<sup>\*</sup> Claims only from FY 10 Table 23 Medical Statistics. Add-on payments funded from FRA provider tax not included.

<sup>\*\*</sup> CHIP eligibles not included



Source: Table 23 Medical Statistics for FY 10.

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for hospital care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the hospital PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for hospitals. It provides a snapshot of what eligibility groups are receiving hospital services as well as the populations impacted by program changes.

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**HOSPITAL CARE** 

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETO	DES							
		EE	0.00	0	215,000	215,000	430,000	
		PD	0.00	15,249,439	512,997,492	284,573,825	812,820,756	
		Total	0.00	15,249,439	513,212,492	284,788,825	813,250,756	
DEPARTMENT CO	RE ADJUSTME	ENTS						
Core Reduction	956 6739	PD	0.00	0	(200,000)	0	(200,000)	
NET D					(000 000)		(000 000)	telemonitoring HCT cut
NET DEPARTMENT CHANGES		0.00	0	(200,000)	0	(200,000)		
DEPARTMENT CO	RE REQUEST							
		EE	0.00	0	215,000	215,000	430,000	
		PD	0.00	15,249,439	512,797,492	284,573,825	812,620,756	
		Total	0.00	15,249,439	513,012,492	284,788,825	813,050,756	
GOVERNOR'S ADDITIONAL CORE ADJUSTME								
Core Reduction	1998 1432	PD	0.00	(78,768)	0	0	(78,768)	
Core Reduction	2197 6997	PD	0.00	0	0	(750,561)	(750,561)	FY12 Core Reductions
Core Reduction	2197 3073	PD	0.00	0	0	(2,000,000)	(2,000,000)	FY12 Core Reductions
Core Reduction	2197 3712	PD	0.00	0	0	(2,078,768)	(2,078,768)	FY12 Core Reductions
Core Reduction	2197 0048	PD	0.00	0	0	(1,825,602)	(1,825,602)	FY12 Core Reductions
Core Reduction	2197 1432	PD	0.00	(13,345,069)	0	0	(13,345,069)	FY12 Core Reductions
Core Reduction	2213 1432	PD	0.00	(1,825,602)	0	0	(1,825,602)	
NET GOVERNOR CHANGES		0.00	(15,249,439)	0	(6,654,931)	(21,904,370)		

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**HOSPITAL CARE** 

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Ex
GOVERNOR'S RECOMMENDED CO	DRE						
	EE	0.00	(	215,000	215,000	430,000	l
	PD	0.00	(	512,797,492	277,918,894	790,716,386	1
_	Total	0.00	. (	513,012,492	278,133,894	791,146,386	

FY12 Department of Social Services Report #10

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Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOSPITAL CARE								
CORE								
PROFESSIONAL SERVICES	424,012	0.00	430,000	0.00	430,000	0.00	430,000	0.00
TOTAL - EE	424,012	0.00	430,000	0.00	430,000	0.00	430,000	0.00
PROGRAM DISTRIBUTIONS	727,512,465	0.00	812,820,756	0.00	812,620,756	0.00	790,716,386	0.00
TOTAL - PD	727,512,465	0.00	812,820,756	0.00	812,620,756	0.00	790,716,386	0.00
GRAND TOTAL	\$727,936,477	0.00	\$813,250,756	0.00	\$813,050,756	0.00	\$791,146,386	0.00
GENERAL REVENUE	\$35,925,422	0.00	\$15,249,439	0.00	\$15,249,439	0.00	\$0	0.00
FEDERAL FUNDS	\$474,118,302	0.00	\$513,212,492	0.00	\$513,012,492	0.00	\$513,012,492	0.00
OTHER FUNDS	\$217,892,753	0.00	\$284,788,825	0.00	\$284,788,825	0.00	\$278,133,894	0.00

#### PROGRAM DESCRIPTION

Department: Social Services
Program Name: Hospital Care

Program is found in the following core budget(s): Hospital Care

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program provides payment for inpatient and outpatient hospital services for MO HealthNet fee-for-service and Managed Care participants.

Hospital services, both inpatient and outpatient, are an essential part of a health care delivery system. These services are mandatory Medicaid covered services and are provided statewide. Hospital services have been part of the MO HealthNet program since November 1967. MO HealthNet inpatient hospital services are medical services provided in a hospital acute or psychiatric care setting for the care and treatment of MO HealthNet participants.

MO HealthNet outpatient hospital services include preventive, diagnostic, emergency, therapeutic, rehabilitative or palliative services provided in an outpatient setting. Examples of outpatient services are emergency room services, physical therapy, ambulatory surgery, or any service or procedure performed prior to admission.

Providers - To participate in the MO HealthNet fee-for-service program, hospitals must first meet certain requirements. Hospitals must be licensed and certified by the Missouri Department of Health and Senior Services for participation in the Title XVIII Medicare program. If the hospital is located out-of-state, the hospital must be licensed by that state's Department of Health or similar agency. If a state does not have a licensing agency, the hospital must be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). In addition, the hospital must complete a Title XIX Medicaid Participation Agreement/Questionnaire, and a MO HealthNet enrollment application. The application of enrollment must be approved by the Department of Social Services, MO HealthNet Division.

MO HealthNet Reimbursement - Reimbursement for inpatient hospital stays is determined by a prospective reimbursement plan implemented in FY 82. The plan provides for an inpatient hospital reimbursement rate based on the 1995 cost report to reimburse for inpatient stays in accordance with a specified admission diagnosis. The method of reimbursement for hospitals is different depending on if they are a safety net hospital or a disproportionate share hospital (DSH). The DSH hospitals are classified as either first tier or other DSH depending on the result of an analysis of annual hospital cost reports.

#### DSH Criteria:

- 1. If the facility offered nonemergency obstetric services as of December 21,1987, there must be at least 2 obstetricians with staff privileges who have agreed to provide obstetric services to MO HealthNet participants. This section does not apply to hospitals either with inpatients predominantly under 18 years of age or which did not offer nonemergency obstetric services as of December 21,1987; and
- 2. The hospital meets one of the following:
  - a. The MO HealthNet inpatient utilization rate is at least one standard deviation above the state's mean MO HealthNet inpatient utilization rate for all Missouri hospitals; or
  - b. The utilization of services by low-income clients is greater than 25% of their total utilization.
- 3. The hospital meets one of the following:
  - a. The unsponsored care ratio is at least 10%; or
  - b. The hospital is ranked in the top 15 hospitals based on MO HealthNet patient days and their MO HealthNet nursery and neonatal utilization is greater than 35% of the hospital's total nursery and neonatal utilization; or
  - c. At least 9% of the hospital's MO HealthNet days are provided in the hospital's neonatal unit.

- 4. The hospital annually provides more than 5,000 Title XIX days of care and the Title XIX nursery days represent more than 50% of the hospital's total nursery days.
- 5. The hospital does not meet the requirements set forth in paragraphs 1 4 above, but has a Medicaid inpatient utilization percentage of at least 1% for Medicaid eligible participants.

A hospital's DSH designation depends on which of the above criteria it meets:

- 1. 1st Tier DSH -- The hospital meets the criteria in paragraphs 1 and 3;
- 2. 2nd Tier DSH -- The hospital meets the criteria in paragraphs 1 and 2 or paragraphs 1 and 4;
- 3. Other DSH -- The hospital meets the criteria in paragraph 5.

A hospital can qualify as a safety net hospital if:

- 1. It meets the criteria set forth above in paragraphs 1 and 2 above; and,
- 2. It meets one of the following criteria:
  - a. The unsponsored care (charity care) ratio is at least 65% and is licensed for less than 50 inpatient beds; or
  - b. The unsponsored care ratio is at least 65% and is licensed for 50 inpatient beds or more and has an occupancy rate of more than 40%; or
  - c. It is operated by the Board of Curators as defined in chapter 172 RSMo; or
  - d. It is operated by the Department of Mental Health.

When a per diem reimbursement rate is established for each hospital, MO HealthNet pays the lesser of: 1) the number of days assigned by the utilization review agent; 2) the number of days billed as covered services; or 3) the Professional Activity Study (PAS) limitation for any diagnosis not subject to review by the utilization review agent.

A hospital is eligible for a special per diem rate increase if it meets prescribed requirements concerning new inpatient health services or new hospital construction.

Outpatient services, excluding certain diagnostic laboratory procedures, are paid on a prospective outpatient reimbursement methodology. The prospective outpatient payment percentage is calculated using the MO HealthNet overall outpatient cost-to-charge ratio from the fourth, fifth and sixth prior base year cost reports regressed to the current state fiscal year. The prospective outpatient payment percentage cannot exceed 100% and cannot be less than 20%. New MO HealthNet providers that do not have fourth, fifth and sixth prior year cost reports will be set at 75% for the first three fiscal years in which the hospital operates and will have a cost settlement calculated for these years. A prospective outpatient rate will then be calculated and used for the fourth and subsequent years of operation. The weighted average prospective outpatient rate is 30% for FY 11.

Other Reimbursement to Hospitals - Hospitals may also receive reimbursement using funding from the Federal Reimbursement Allowance (FRA) program. The FRA program is a funding source for inpatient and outpatient services. It is also a funding source for MO HealthNet Managed Care, the Women's Health Services, and CHIP programs. These programs provide payments for the cost of providing care to MO HealthNet participants and the uninsured.

Under the FRA program, hospitals pay a federal reimbursement allowance (i.e. provider tax) for the privilege of doing business in the state. The assessment is a percentage levied against both net hospital inpatient revenue and net hospital outpatient revenue. For FY 11, the assessment rate is 5.45%. The net inpatient and net outpatient revenues are determined from the hospitals' Medicare/ Medicaid cost reports that are filed annually with the MO HealthNet Division. The MO HealthNet Division uses funds generated from the FRA program as the equivalent of General Revenue funds. The funds are distributed to the hospitals through a combination of payments.

The payments include funding for: inpatient per diem payments, outpatient payments, and add-on payments such as direct Medicaid payments, uninsured (DSH), and utilization add-on payments (only applies to Safety Net hospitals and Children's Hospitals). For a more detailed description of the FRA program see the FRA narrative.

<u>Trends</u> - Elderly persons and persons with disabilities are the highest users of health care services and costliest population per capita. These two populations represent 25% of all Medicaid eligibles and represent 64% of all expenditures. Persons with disabilities are the primary users of hospital services. This group accounts for 45% of fee-for-service hospital users and 60% of fee-for-service hospital expenditures. The elderly are 11% of fee-for-service hospital users and 5% of fee-for-service hospital expenditures.

Pre-certification of inpatient hospital stays for patients under the age of 21 admitted to psychiatric units or facilities and the certificate of need process are measures used to control costs. The pre-certification reviews are done by a utilization review agent. Admission and continued stay reviews are performed on a pre-approved basis for all fee-for-service MO HealthNet participants admitted to acute care hospitals except for certain pregnancy, delivery and newborn diagnoses, and for participants who are eligible for both Medicare and MO HealthNet. The reviews are done to ensure that hospital admission and each day of inpatient care are medically necessary. The review may be performed prior to admission, post admission or retrospectively. An initial length of stay (LOS) is assigned by a nurse or physician reviewer.

In July 2010, the MO HealthNet Division, in conjunction with Affiliated Computer Services (ACS) and MedSolutions (MSI), implemented a new quality-based Radiology Benefit Management Program (RBM). The RBM is an expansion of the existing pre-certification process currently being used for MRIs and CTs of the brain, head, chest and spine. The RBM works to determine clinical appropriateness of the usage of high-tech, cardiac imaging and ultrasound technology, and provides guidelines for application and use based on expert information and evidence-based data. Pre-certification requests are handled using robust clinical guidelines. These guidelines are used to ensure the appropriate scope, complexity and clinical need of the tests that will be performed.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2), 1923(a)-(f);

Federal Regulations: 42 CFR 440.10 and 440.20

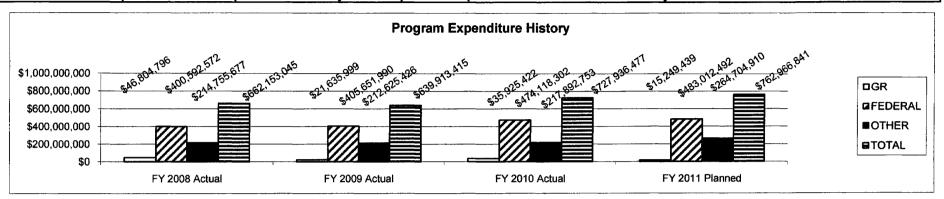
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%.

## 4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



#### 6. What are the sources of the "Other" funds?

Uncompensated Care Fund (0108), Federal Reimbursement Allowance Fund (0142), Health Initiatives Fund (0275), Third Party Liability Collections Fund (0120), and Healthy Families Trust Fund (0625).

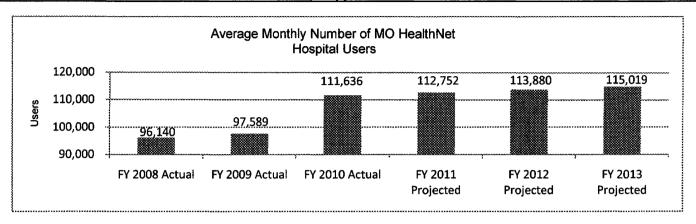
#### 7a. Provide an effectiveness measure.

#### 7b. Provide an efficiency measure.

Efficiency Measures: Inpatient and outpatient services are available to all fee-for-service MO HealthNet participants. In those regions of the state where Managed Care has been implemented participants have hospital services available through the Managed Care health plans. In SFY 2010, there were 626,500 inpatient days and 11,724,000 outpatient services provided through the hospital program.

Number	Number of Outpatient Services									
	(Thousands)									
SFY	SFY Actual Projecte									
2008	9,224.7									
2009	8,842.0									
2010	11,723.9									
2011		11,841.1								
2012		11,959.6								
2013		12,079.1								

# 7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

# **DECISION ITEM SUMMARY**

Budget Unit		· ·						
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN PAYMENTS SAFETY NET								
CORE								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	4,386,191	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
TOTAL - PD	4,386,191	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
TOTAL	4,386,191	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
GRAND TOTAL	\$4,386,191	0.00	\$8,000,000	0.00	\$8,000,000	0.00	\$8,000,000	0.00

#### **CORE DECISION ITEM**

**Department: Social Services** 

**Budget Unit: 90558C** 

Division: MO HealthNet

**Core: Physician Payments for Safety Net** 

		FY 2011 Budg	get Request				FY 2011 Gover	nor's Recommend	Jation
	GR	Federal	Other	Total		GR	Federal	Other	Total
rs –		<u></u>		· · · · · · · · · · · · · · · · · · ·	PS				
E					EE				
PSD		8,000,000		8,000,000	E PSD		8,000,0	000	8,000,000
RF					TRF				
Γotal		8,000,000		8,000,000	E Total		8,000,0	000	8,000,000
- <del> </del>				0.00					0.00
TE				0.00	FTE				0.00
st. Fringe	0	0	0	0	Est. Fri	nge	0	0	0 0
lote: Fringes I	oudgeted in Hou	ise Bill 5 except for	certain fringes b	udgeted directly	Note: F	ringes budgeted in	House Bill 5 exc	cept for certain fring	jes budgeted
o MoDOT, Higi	hway Patrol, and	d Conservation.			directly	to MoDOT, Highwa	ay Patrol, and Co	nservation.	
					<u> </u>		· · · · · · · · · · · · · · · · · · ·		
ther Funds:					Other F	undo:			

Note:

An "E" is requested for the \$8,000,000 in Federal Fund authority.

Note:

An "E" is requested for the \$8,000,000 in Federal Fund authority.

#### 2. CORE DESCRIPTION

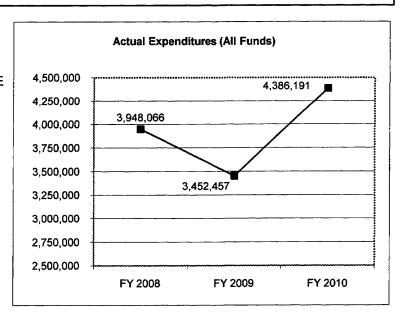
Safety Net hospitals are criticial providers of care to the Medicaid and uninsured populations and must be able to attract and maintain a sufficient supply of qualified physicians in order to provide quality services. This core provides funding for enhanced payments to Truman Medical Center Physicians and University of Missouri-Kansas City Physicians.

# 3. PROGRAM LISTING (list programs included in this core funding)

Physician Payments for Safety Net

#### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	23,000,000	8,000,000	8,000,000	8,000,000 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	23,000,000	8,000,000	8,000,000	N/A
Actual Expenditures (All Funds)	3,948,066	3,452,457	4,386,191	N/A
Unexpended (All Funds)	19,051,934	4,547,543	3,613,809	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	19,051,934	4,547,543	3,613,809	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for Federal fund authority.

- (1) Lapse of \$19,051,934 in excess federal authority.
- (2) Lapse of \$4,547,543 in excess federal authority.
- (3) Lapse of \$3,613,809 in excess federal authority.

#### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES PHYSICIAN PAYMENTS SAFETY NET

# 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Other		Total	E
TAFP AFTER VETOES									
	PD	0.00		0	8,000,000		0	8,000,000	
	Total	0.00		0	8,000,000		0	8,000,000	
DEPARTMENT CORE REQUEST		<u></u>							•
	PD	0.00		0	8,000,000		0	8,000,000	
	Total	0.00		0	8,000,000		0	8,000,000	
GOVERNOR'S RECOMMENDED	CORE								-
	PD	0.00		0	8,000,000		0	8,000,000	
	Total	0.00		0	8,000,000		0	8,000,000	

<b>FY12 Department of Social Service</b>	es Report #1	0					ECISION ITE	EM DETAIL
Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
PHYSICIAN PAYMENTS SAFETY NET CORE	· · · · · · · · · · · · · · · · · · ·							
PROGRAM DISTRIBUTIONS	4,386,191	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
TOTAL - PD	4,386,191	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
GRAND TOTAL	\$4,386,191	0.00	\$8,000,000	0.00	\$8,000,000	0.00	\$8,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$4,386,191	0.00	\$8,000,000	0.00	\$8,000,000	0.00	\$8,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: Physician Payments for Safety Net** 

Program is found in the following core budget(s): Physician Payments for Safety Net

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides enhanced physican reimbursement payments for services provided to MO HealthNet participants by hospitals designated as safety net hospitals. Safety net hospitals traditionally see a high volume of Medicaid and uninsured patients. This program was established to provide a funding mechanism to enhance payments to these hospitals.

Safety Net hospitals are criticial providers of care to the Medicaid and uninsured populations and must be able to attract and maintain a sufficient supply of qualified phsyicians in order to provide quality services. Enhanced payments are made to Truman Medical Center Physicians and University of Missouri-Kansas City Physicians. Appropriated funding is based on the following projections:

Enhanced Payment for Truman Medical Center Physicians \$3,000,000 Enhanced Payment for University of Missouri-Kansas City Physicians \$5,000,000

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2), 1923(a)-(f);

Federal Regulations: 42 CFR 440.10 and 440.20

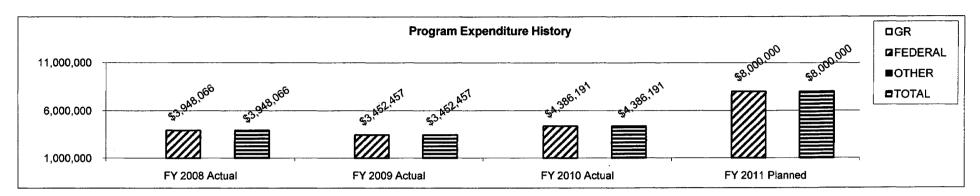
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%. For those public entities identified above who use state and local general revenue to provide eligible services to MO HealthNet participants, the MO HealthNet Division provides payment of the federal share for these eligible services.

# 4. Is this a federally mandated program? If yes, please explain.

No.

# 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



<u> </u>	W/hat	ara tha	sources	of the	"Other"	funda?
σ.	vviial	alt lift	Sources	UI LITE	Other	lullusi

N/A

7a. Provide an effectiveness measure.

7b. Provide an efficiency measure.

7c. Provide the number of clients/individuals served, if applicable.

7d. Provide a customer satisfaction measure, if available.

<b>FY12</b>	Departme	ent of So	cial Services	s Report #9
	. Dobai aiic		uidi oci fico.	3 1 <b>1</b> 5 5 5 6 5 6 7 6 7 7 7 7

# **DECISION ITEM SUMMARY**

GRAND TOTAL	\$7,572,500	0.00	\$7,800,000	0.00	\$7,020,000	0.00	\$13,020,000	0.00
TOTAL	0	0.00	0	0.00	0	0.00	9,000,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	9,000,000	0.00
Medical Home FQHC - 1886023 PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	9,000,000	0.00
TOTAL	7,572,500	0.00	7,800,000	0.00	7,020,000	0.00	4,020,000	0.00
TOTAL - PD	7,572,500	0.00	7,800,000	0.00	7,020,000	0.00	4,020,000	0.00
PROGRAM-SPECIFIC GENERAL REVENUE	7,572,500	0.00	7,800,000	0.00	7,020,000	0.00	4,020,000	0.00
CORE								
FQHC DISTRIBUTION								
Budget Object Summary Fund	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	DOLLAR	GOV REC FTE
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012 GOV REC	FY 2012
Budget Unit								

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90559C

**Division: MO HealthNet** 

Core: Federally Qualified Health Centers (FQHC) Distribution

1. CORE FIN	IANCIAL SUMMA	ARY							
		FY 2012 Bud	get Request			FY	2012 Governor'	s Recommendat	tion
	GR	Federal	Other	Total	Γ	GR	Federal	Other	Total
PS .					PS			-	
EE					EE				
PSD	7,020,000			7,020,000	PSD	4,020,000			4,020,000
TRF				, ,	TRF	• •			
Total	7,020,000			7,020,000	Total	4,020,000			4,020,000
•					=				
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
Note: Fringes	s budgeted in Hou	use Bill 5 except fo	or certain fringes b	udgeted directly		budgeted in Hou	use Bill 5 except	for certain fringes	budgeted
to MoDOT, Hi	ighway Patrol, and	d Conservation.	J			DOT, Highway Pa	•		
					•				
Other Funds:					Other Funds:				

#### 2. CORE DESCRIPTION

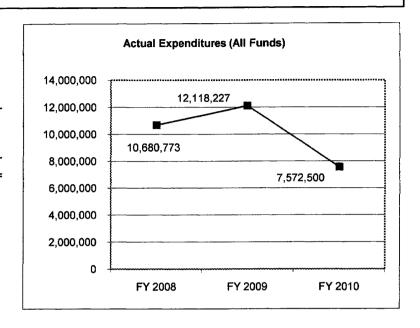
This core request is to allow Federally Qualified Health Centers (FQHCs) to provide more services in their facilities and improve access to health care for the uninsured and under-insured. Funding for this core is for equipment and infrastructure in the FQHC and to cover the expense of providing health care services in the FQHC setting.

# 3. PROGRAM LISTING (list programs included in this core funding)

Federally Qualified Health Centers (FQHC)

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	14,000,000	14,350,000	9,250,000	7,800,000
Less Reverted (All Funds)	(270,000)	(2,231,273)	(1,677,500)	N/A
Budget Authority (All Funds)	13,730,000	12,118,727	7,572,500	N/A
Actual Expenditures (All Funds)	10,680,773	12,118,227	7,572,500	N/A
Unexpended (All Funds)	3,049,227	500	0	N/A
Unexpended, by Fund:				
General Revenue	0	500	0	N/A
Federal	0	0	0	N/A
Other	3,049,227	0	0	N/A
	(1)			



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### NOTES:

(1) Other fund lapse is one-time Health Care Technology funds that were spent in FY 2009.

#### **CORE RECONCILIATION DETAIL**

# **DEPARTMENT OF SOCIAL SERVICES**

**FQHC DISTRIBUTION** 

# 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	7,800,000	0	0	7,800,000	
	Total	0.00	7,800,000	0	0	7,800,000	
DEPARTMENT CORE ADJUSTN	IENTS						
Core Reduction 974 4868		0.00	(780,000)	0	0	(780,000)	FY11 expenditure restriction reduction of 10%
NET DEPARTMENT	CHANGES	0.00	(780,000)	0	0	(780,000)	
DEPARTMENT CORE REQUEST							
	PD	0.00	7,020,000	0	0	7,020,000	
	Total	0.00	7,020,000	0	0	7,020,000	
GOVERNOR'S ADDITIONAL CO	RE ADJUST	MENTS					
Core Reduction 1937 4868		0.00	(3,000,000)	0	0	(3,000,000)	
NET GOVERNOR C	HANGES	0.00	(3,000,000)	0	0	(3,000,000)	
GOVERNOR'S RECOMMENDED	CORE		• • • •			• • •	
COTENION O NECOMMENDED	PD	0.00	4,020,000	0	0	4,020,000	
	Total	0.00	4,020,000	0	0	4,020,000	

FY12 Department of Social Se	ervices Report #1	0					ECISION ITE	EM DETAIL
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FQHC DISTRIBUTION								
CORE								
PROGRAM DISTRIBUTIONS	7,572,500	0.00	7,800,000	0.00	7,020,000	0.00	4,020,000	0.00
TOTAL - PD	7,572,500	0.00	7,800,000	0.00	7,020,000	0.00	4,020,000	0.00
GRAND TOTAL	\$7,572,500	0.00	\$7,800,000	0.00	\$7,020,000	0.00	\$4,020,000	0.00

\$7,800,000

\$0 \$0

0.00

0.00

0.00

\$7,020,000

\$0 \$0

0.00

0.00

0.00

GENERAL REVENUE

FEDERAL FUNDS

OTHER FUNDS

\$7,572,500

\$0

\$0

\$4,020,000

\$0

\$0

0.00

0.00

0.00

0.00

0.00

0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Federally Qualified Health Centers (FQHC) Distribution

Program is found in the following core budget(s): Federally Qualified Health Centers (FQHC) Distribution

#### 1. What does this program do?

PROGRAM SYNOPSIS: Allows Federally Qualified Health Centers to provide more services in their facilities and improve access to health care for the uninsured and under-insured. Grant funds are used for capital expansion, infrastructure redesigning, and primary health and dental care for the uninsured.

FQHCs are community health centers that provide comprehensive primary care to low-income and medically under-served urban and rural communities. Because of an inadequate number of providers, Missourians have found it difficult to find health care providers and are subject to lengthy postponements in receiving health care services. In rural areas, these issues are more pronounced as people must frequently travel to larger cities in order to receive necessary care. By equipping the FQHCs with infrastructure and personnel, the under-served population will have increased access to health care, especially in medically under-served areas.

Examples of how these grants help expand access to health care services for the low-income and uninsured include: 1) Supporting nontraditional hours of operation (weekend and special evening hours). FQHCs recognize that many Missourians do not have the luxury of accessing care during normal business hours. 2) Defraying the costs of caring for the uninsured. FQHCs are required to accept uninsured patients as they do insured patients. 3) Funding staff and infrastructure to provide services not usually accessible to FQHC patients such as dental services.

The Department of Social Services contracts with the Missouri Primary Care Association to act as a fiscal intermediary for the distribution of the FQHC grants, assuring accurate and timely payments to the subcontractors; and, as a central data collection point for evaluating program impact and outcomes. The Missouri Primary Care Association is recognized as Missouri's single primary care association by the Federal Health Resource Service Administration. The goals of the nation's Primary Care Associations are to partner in the development, maintenance and improvement of access to health care services, reducing disparities in health status between majority and minority populations.

#### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.153, 208.201, 660.026; Federal law: Social Security Act Section 1905(a)(2); Federal regulation: 42 CFR 440.210

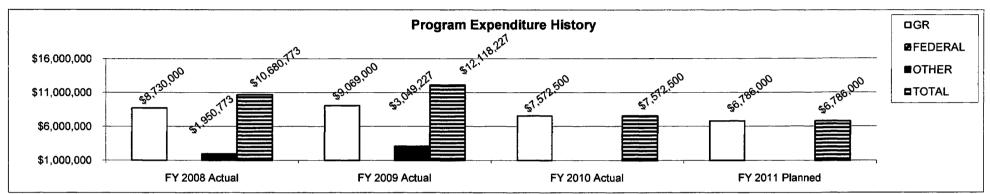
#### 3. Are there federal matching requirements? If yes, please explain.

This is a state-only program using 100% General Revenue funding.

#### 4. Is this a federally mandated program? If yes, please explain.

No.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Reverted: \$1,014,000 GR Fund.

#### 6. What are the sources of the "Other " funds?

Health Care Technology Fund (0170) in FY 08 and FY 09.

#### 7a. Provide an effectiveness measure.

Effectiveness Measure: State grants funded with this appropriation assist in leveraging funds from the Federal Bureau of Primary Health Care. The total amount of funds leveraged in calendar year 2009 was \$42,715,258.

Total Funds Leveraged for					
Missouri FQHCs					
Calendar Year	Total Economic Impact				
2007	\$38,947,659				
2008	\$42,168,226				
2009	\$42,715,258				

Source: Bureau of Primary Health Care, bphc.hrsa.gov

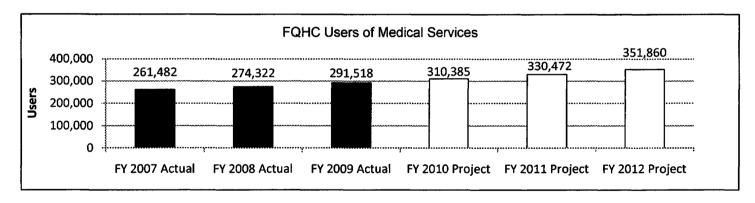
#### 7b. Provide an efficiency measure.

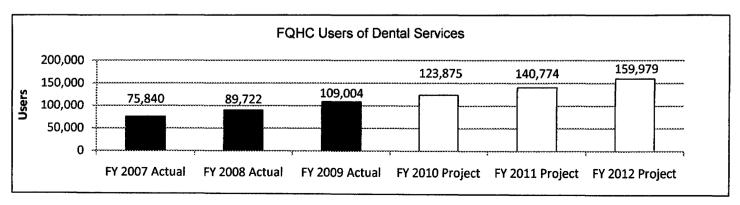
Efficiency Measure: FQHCs provide primary health care for the uninsured in their local communities. Missouri FQHCs provided primary health care to uninsured individuals in their local communities at a cost of \$602 per user in calendar year 2009

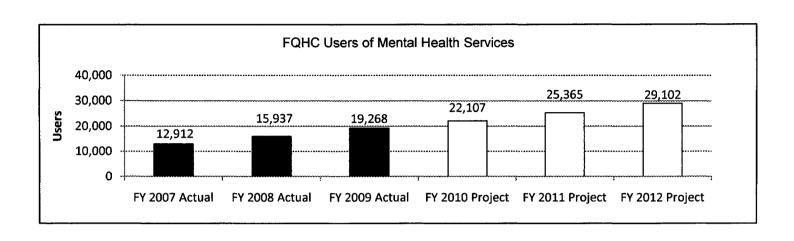
C	ost per User
Calendar Year	Cost
2006	\$521
2007	\$535
2008	\$562
2009	\$602

Source: Bureau of Primary Health Care, bphc.hrsa.gov

#### 7c. Provide the number of clients/individuals served, if applicable.







7d. Provide a customer satisfaction measure, if available.

# **NEW DECISION ITEM**

**RANK: 999** 

**Department: Social Services** 

**Division: MO HealthNet** 

DI Name: Medical Home FQHC

CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

Budget Unit: 90559C

DI#: 1886023

	OF REQUEST	FY 2012 Bud	net Request			EV	2012 Governor's	Recommend	ation
1	GR	Federal	Other	Total	1	GR	Federal	Other	Total
PS L	<u> </u>		<u> </u>	10441	PS		1 1000,01	0.10.	1
EE					EE				
PSD					PSD		9,000,000		9,000,000
TRF					TRF		-,,		
Total				0	Total		9,000,000		9,000,000
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	1	0	0	0
Note: Fringes	budgeted in Ho	use Rill 5 evcen	t for cortain frin	are a birderate of	Moto: Eringe	s hudgeted in H	ouse Bill 5 except	for certain fring	ros hudaeted
				ges buagetea	Note. Fillige	s buugeteu iii ri	ouse bill o except	i ioi certain ining	jes buugeteu
	OOT, Highway P			ges buagetea 		•	Patrol, and Conse		
				ges buagetea		oDOT, Highway	•		yes buugeteu
directly to MoL				ges buagetea	directly to Mo	o <i>DOT, Highway</i> : An "E" is requi	•	ervation. opriation to sup	port payments
directly to MoE Other Funds:		atrol, and Conse	ervation.	ges buagetea	Other Funds	o <i>DOT, Highway</i> : An "E" is requi	Patrol, and Conse	ervation. opriation to sup	port payments
directly to MoE Other Funds:	OOT, Highway P	atrol, and Conse	ervation.	ges buagetea X	Other Funds	o <i>DOT, Highway</i> : An "E" is requi	Patrol, and Conse	ervation. opriation to sup	port payments
Other Funds:  2. THIS REQU	OOT, Highway P	ATEGORIZED	ervation.		Other Funds Note:	DOT, Highway  :  An "E" is required if additional FC	Patrol, and Conse	ervation.  opriation to sup	port payments atch.
Other Funds:  2. THIS REQU	DOT, Highway Postson  JEST CAN BE Consultation	ATEGORIZED	ervation.		Other Funds Note:	DOT, Highway  :  An "E" is required if additional FC	Patrol, and Conse	opriation to supne enhanced m	port payments atch.

NDI SYNOPSIS: Funding is needed to establish health care homes to provide comprehensive services to MO HealthNet participants with chronic physical or mental illnesses.

Federal law provides states opportunity to qualify for two years of enhanced federal funding (90% federal match rate) to establish health care homes to better coordinate the care of MO HealthNet participants with chronic physical or mental illnesses. The Centers for Medicare and Medicaid Services (CMS) must approve a state plan amendment before the program can be implemented.

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The enhanced federal match provides Missouri the opportunity to enhance the integration and coordination of primary, acute, behavioral health (mental health and substance use), and long-term services and supports for MO HealthNet participants with chronic illness. This model operates under a "whole-person" philosophy with the goal of expanding the traditional medical home model to build linkages to community and social supports in keeping with the needs of participants with multiple chronic illnesses. It is anticipated that the use of the health care home model will result in lower rates of emergency room use, reduction in hospital admissions and re-admissions, reduction in health care costs, less reliance on long-term care facilities, and improved experience of care and quality of care outcomes for the participant.

The federal law defines a medical home as a "designated provider" (including a provider that operates in coordination with a team of health care professionals) or a health team that provides medical home services to an individual with a chronic condition. A "designated provider" can be a physician, clinical practice or clinical group practice, rural clinic, community health center, community mental health center, or any other entity or provider that is determined by the State and approved by the Secretary of HHS to be qualified to be a medical home. A team of health care professionals acting as a medical home may include physicians and other professionals such as a nurse care coordinator, nutritionist, social worker, and behavioral health professional, and may be freestanding, virtual, or based at a hospital or other facility. The designated provider must have documentation evidencing that it has the systems and infrastructure in place to provide medical home services and must meet qualification standards.

All designated medical homes must provide at least six key services. The required health care home services include comprehensive care management, care coordination and health promotion, comprehensive transitional care from inpatient to other settings, patient and family support, referral to community and social support services, and the use of "health information technology" to link services. Individuals who are eligible for health home services must have at least: (1) two chronic conditions; (2) one chronic condition and the risk of having a second; or (3) one serious and persistent mental health condition. "Chronic conditions" are defined in federal regulations and must include at least mental health conditions, substance abuse disorders, asthma, diabetes, heart disease, and obesity.

The federal match rate of 90% is available to states for eight quarters. MO HealthNet assumes that total funds needed will be \$10,000,000 and further assumes that the 10% (\$1 million) general revenue amount will come from the Federally Qualified Health Center Distribution core. Therefore, the request is for the remaining 90% (\$9 million) federal amount.

FQHC Distribution

Total	GR	Federal
\$9,000,000	\$0	\$9,000,000

5. BREAK DOWN THE REQUEST B	V BLIDGET OF	ECT CLASS	IOR CLASS A	ND ELIND SOL	IDCE IDENTIE	V ONE TIME	COSTS		
3. BREAK DOWN THE REQUEST B	BUDGET OBJ	CLASS, J	IUD CLASS, A	ND FUND 501	JRCE. IDENTIF	I ONE-HINE		Γ	<u> </u>
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	. 0	0.0	0	0.0	0	0.0	0	0.0	0
Program Distributions Total PSD	0	0.0	0	0.0	0	0.0	0	0.0	0
Transfers Total TRF	0	0.0	0	0.0	0	0.0	0 <b>0</b>	0.0	0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0
	Gov Rec GR	Gov Rec GR	Gov Rec FED	Gov Rec FED	Gov Rec OTHER	Gov Rec OTHER	Gov Rec TOTAL	Gov Rec TOTAL	Gov Rec One-Time
Budget Object Class/Job Class	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0	0.0	0	0.0	0	0.0	0	0.0	0
Program Distributions Total PSD	0	0.0	9,000,000 <b>9,000,000</b>	0.0	0	0.0	9,000,000 <b>9,000,000</b>	0.0	0
Transfers Total TRF	0	0.0	0	0.0	0	0.0	0	0.0	0
Grand Total	0	0.0	9,000,000	0.0	0	0.0	9,000,000	0.0	0

6a.	Provide an effectiveness measure.
	Medical homes will result in improved health outcomes for participating individuals with chronic conditions.
Sb.	Provide an efficiency measure.
	Medical homes will result in lower rates of emergency room use, reduction in hospital admissions and re-admissions, reduction in health care costs, and less reliance on long-term care facilities,
6c.	Provide the number of clients/individuals served, if applicable.
	The number of clients and individuals served will depend on the number of clinics that are able to meet the required criteria.
Sd.	Provide a customer satisfaction measure, if available.

FY12 Department of Social Service	es Report #1	0					DECISION ITE	M DETAIL
Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FQHC DISTRIBUTION								
Medical Home FQHC - 1886023								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	9,000,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	9,000,000	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$9,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$9,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

FY12 Department of Social	Services Report	#9				DEC	JISION II EN	SUMMARY
Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FED REIMB ALLOWANCE								
CORE								
PROGRAM-SPECIFIC								

878,929,394

878,929,394

878,929,394

\$878,929,394

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880,176,698

880,176,698

880,176,698

\$880,176,698

FEDERAL REIMBURSMENT ALLOWANCE

TOTAL - PD

TOTAL

**GRAND TOTAL** 

#### **CORE DECISION ITEM**

**Department: Social Services** 

**Budget Unit: 90553C** 

Division: MO HealthNet

Core: Federal Reimbursement Allowance (FRA)

		FY 2012 Budg	et Request				FY	2012 Governor	s Recommendati	on
	GR	Federal	Other	Total	1		GR	Federal	Other	Total
PS EE PSD			878,929,394	878,929,394	E	PS EE PSD			878,929,394	878,929,394
ΓRF Γotal		· · · · · · · · · · · · · · · · · · ·	878,929,394	878,929,394	E	TRF Total			878,929,394	878,929,394
TE				0.00		FTE				0.00
Est. Fringe	0	0	0	0	]	Est. Fringe	0	0	0	(
	es budgeted in Hoo Highway Patrol, an	use Bill 5 except for d Conservation.	certain fringes bu	idgeted directly			es budgeted in Ho loDOT, Highway F	•	for certain fringes rvation.	budgeted
Other Funds	: Federal Reimbur	sement Allowance	Fund (FRA) (0142	2)		Other Funds	s: Federal Reimbu	ırsement Allowan	ce Fund (FRA) (01	142)
Note:	An "E" is request	ted for the \$878,929	,394 Federal Rei	mbursement		Note:	An "E" is reques		929,394 Federal R	Reimbursement

#### 2. CORE DESCRIPTION

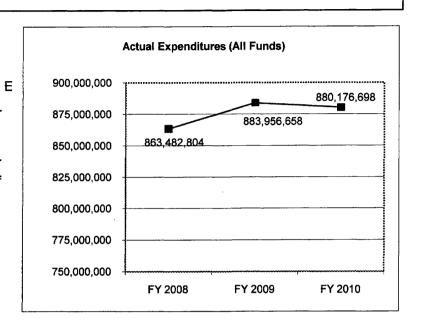
This core request is for ongoing funding to reimburse for hospital services and managed care premiums provided to MO HealthNet participants and the uninsured. Funding for this core is used to maintain hospital reimbursement at a sufficient level to ensure quality health care and provider participation. Hospitals are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent and when used to make valid Medicaid payments, earns federal dollars. These earnings fund this FRA program appropriation.

#### 3. PROGRAM LISTING (list programs included in this core funding)

Hospital - Federal Reimbursement Allowance

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Current Yr.	FY 2011 Current Yr.
Appropriation (All Funds)	863,482,804	883,999,999	880,184,206	878,929,394 E
Less Reverted (All Funds)	0	0	0_	N/A
Budget Authority (All Funds)	863,482,804	883,999,999	880,184,206	N/A
Actual Expenditures (All Funds)	863,482,804	883,956,658	880,176,698	N/A
Unexpended (All Funds)	0	43,341	7,508	N/A
Unexpended, by Fund: General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	43,341	7,508	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### NOTES:

Estimated "E" appropriation for FRA.

#### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**FED REIMB ALLOWANCE** 

#### 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal		Other	Total	
TAFP AFTER VETOES		<del></del>							
	PD	0.00		0		0	878,929,394	878,929,394	
	Total	0.00		0		0	878,929,394	878,929,394	-
DEPARTMENT CORE REQUEST	•						·		-
	PD	0.00		0		0	878,929,394	878,929,394	
	Total	0.00		0		0	878,929,394	878,929,394	
GOVERNOR'S RECOMMENDED	CORE								
	PD	0.00		0		0	878,929,394	878,929,394	
	Total	0.00		0		0	878,929,394	878,929,394	•

<b>FY12</b>	Department	of Social	Services	Report #10
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FY12 Department of Social Service	es Report #1	0				Ε	DECISION ITE	M DETAIL	
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012 DEPT REQ	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012	
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET				GOV REC	
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR			FTE	
FED REIMB ALLOWANCE									
CORE									
PROGRAM DISTRIBUTIONS	880,176,698	0.00	878,929,394	0.00	878,929,394	0.00	878,929,394	0.00	
TOTAL - PD	880,176,698	0.00	878,929,394	0.00	878,929,394	0.00	878,929,394	0.00	
GRAND TOTAL	\$880,176,698	0.00	\$878,929,394	0.00	\$878,929,394	0.00	\$878,929,394	0.00	
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	
OTHER FUNDS	\$880,176,698	0.00	\$878,929,394	0.00	\$878,929,394	0.00	\$878,929,394	0.00	

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Federal Reimbursement Allowance (FRA)

Program is found in the following core budget(s): Federal Reimbursement Allowance (FRA)

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides ongoing reimbursement for hospital services and managed care premiums provided to MO HealthNet participants and the uninsured

The Federal Reimbursement Allowance (FRA) program provides payments for hospital inpatient services, outpatient services, managed care capitated payments, CHIP and Women's Health services (using the FRA assessment as general revenue equivalent). The FRA program supplements payments for the cost of providing care to Medicaid participants under Title XIX of the Social Security Act and to the uninsured. Hospitals are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent and when used to make valid Medicaid payments, earns federal dollars. These earnings fund the FRA program.

Currently 147 hospitals participate in the FRA program. The FRA assessment is a percent of each hospital's inpatient adjusted net revenues and outpatient adjusted net revenues. For FY 11, the assessment rate is 5.45%. The net inpatient and net outpatient revenue are determined from the hospital's cost reports that are filed annually with the MO HealthNet Division. The MO HealthNet Division uses funds generated from the FRA program as the equivalent of General Revenue funds. The funds are distributed to the hospitals through a combination of payments.

The FRA program reimburses hospitals for certain costs as outlined below:

- Higher Inpatient Per Diems Higher per diems were granted in October 1992 when the FRA program started. At that time, rates for the general plan hospitals were rebased to the 1990 cost reports. In April 1998, hospitals were rebased to the 1995 cost reports.
- Increased Outpatient Payment 30% of outpatient costs are made through FRA funding. An outpatient prospective reimbursement methodology was implemented on July 1, 2002.
- Direct Medicaid Payments The hospital receives additional lump sum payments to cover their unreimbursed costs for providing services to MO HealthNet participants. These payments, along with per diem payments, provide 100% of the allowable medicaid cost for MO HealthNet participants.
- Uninsured Add-On Payments for the cost of providing services to patients that do not have insurance (charity care and bad debts).
- Upper Payment Limit An annual payment to hospitals to recognize costs up to what Medicare payment principles allow.
- Enhanced GME An annual payment to hospitals for Graduate Medical Education (GME) cost inflation not reimbursed in the per diem, Direct Medicaid or quarterly GME payments.

This program also funds Missouri's Gateway to Better Health Medicaid demonstration. Prior to the new federal DSH audit rules, DSH funding was voluntarily paid by hospitals to safety net clinics that provided uncompensated ambulatory care at specific facilities. The new federal DSH audit requirements limit the amount of DSH hospitals can receive to each individual hospital's uncompensated Medicaid and uninsured costs. Under the Demonstration, CMS is allowing the state to continue to use DSH funds to preserve and improve primary and specialty health care services in St. Louis.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.453; Federal law: Social Security Act Section 1903(w); Federal Regulation: 42 CFR 433 Subpart B.

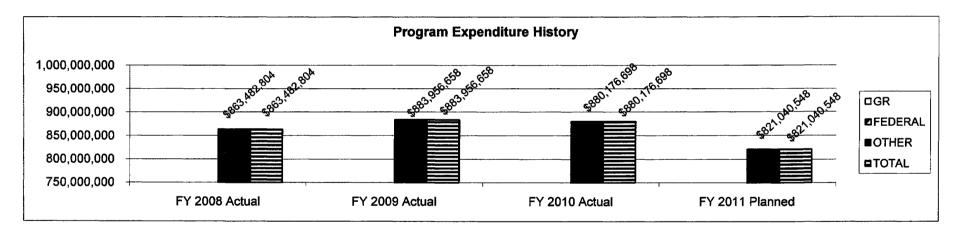
#### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%. The hospital assessments serve as the general revenue equivalent to earn Medicaid federal reimbursement.

#### 4. Is this a federally mandated program? If yes, please explain.

No.

#### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



### 6. What are the sources of the "Other " funds?

Federal Reimbursement Allowance Fund (0142)

#### 7a. Provide an effectiveness measure.

Effectiveness Measure: The Federal Reimbursement Allowance (FRA) is used as state match for administration costs and Medicaid services minimizing the need for General Revenue. In FY 2010, the FRA program provided over \$250 million in state match to fund various appropriations.

FRA as a Funding Source in the		S	FY	
Various Appropriations	2008	2009	2010	2011
Revenue Max Admin	\$97,453	\$100,133	\$100,133	
Managed Care	\$109,065,009	\$109,065,009	\$93,533,441	\$93,533,441
Hospital	\$115,682,390	\$133,382,390	\$148,913,958	\$185,298,958
Women's Health Services	\$167,756	\$167,756	\$167,756	\$167,756
Show-Me Health (SB 306)*			\$52,615,793	:
CHIP	\$7,719,204	\$7,719,204	\$7,719,204	\$7,719,204
Total	\$232,731,812	\$250,434,492	\$303,050,285	\$286,719,359

<sup>\*</sup>Appropriation contingent on passage of enabling legislation (SB 306). Enabling legislation did not pass.

## 7b. Provide an efficiency measure.

Efficiency Measure: The FRA tax assessment is a general revenue equivalent and when used to make Medicaid payments earns a federal match. In FY 2010, hospitals were assessed \$885.1 million in tax.

FRA Tax	FRA Tax Assessments Revenues Obtained						
SFY							
2008	\$864.6 mil						
2009	\$847.2 mil						
2010	\$885.1 mil						
2011	\$917.6 mil estimated						
2012	\$917.6 mil estimated						
2013	\$917.6 mil estimated						

## 7c. Provide the number of clients/individuals served, if applicable.

FRA payments are made on behalf of MO HealthNet participants and the uninsured accessing hospital services.

## 7d. Provide a customer satisfaction measure, if available.

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# FY12 Department of Social Services Report #9

# **DECISION ITEM SUMMARY**

GRAND TOTAL	\$232,998,681	0.00	\$199,854,549	0.00	\$199,854,549	0.00	\$199,854,549	0.00
TOTAL	232,998,681	0.00	199,854,549	0.00	199,854,549	0.00	199,854,549	0.00
TOTAL - PD	232,998,681	0.00	199,854,549	0.00	199,854,549	0.00	199,854,549	0.00
INTERGOVERNMENTAL TRANSFER	83,775,968	0.00	70,348,801	0.00	70,348,801	0.00	70,348,801	0.00
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER	149,222,713	0.00	129,505,748	0.00	129,505,748	0.00	129,505,748	0.00
CORE								
IGT SAFETY NET HOSPITALS								
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	<b>GOV REC</b>	<b>GOV REC</b>
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Unit								

#### **CORE DECISION ITEM**

Department: Social Services
Division: MO HealthNet

**Budget Unit: 90571C** 

Core: IGT Safety Net Hospitals

		FY 2012 Budg	et Request			F	Y 2012 Governor's	Recommendat	ion
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD		129,505,748	70,348,801	199,854,549	E <b>PSD</b>		129,505,748	70,348,801	199,854,549 E
TRF					TRF				
Total		129,505,748	70,348,801	199,854,549	E Total		129,505,748	70,348,801	199,854,549 E
•									
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringes	s budgeted in House	e Bill 5 except fo	r certain fringes b	udgeted directly
to MoDOT. Hi	ighway Patrol, and (	Conservation.		

| Est. Fringe | 0 | 0 | 0 | 0 | Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Intergovernmental Transfers (0139)

Other Funds: Intergovernmental Transfers (0139)

Note: An "E" is requested

An "E" is requested for \$70,348,801 Intergovernmental Transfers

and \$129.505,748 Federal Funds.

Note:

An "E" is requested for \$70,348,801 Intergovernmental Transfers

and \$129.505.748 Federal Funds.

#### 2. CORE DESCRIPTION

This core request is for funding payments for MO HealthNet participants and the uninsured through intergovernmental transfers for safety net hospitals. Safety net hospitals traditionally see a high volume of MO HealthNet/uninsured patients.

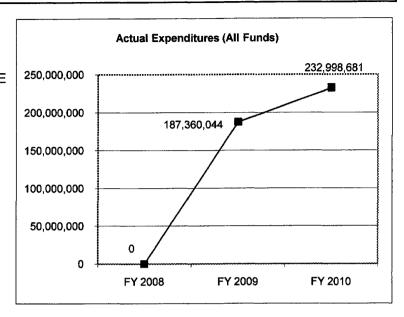
Payments from this program are made to the University of Missouri Hospitals and Clinics; Missouri Rehabilitation Center; Truman Medical Center Hospital-Hill; Truman Medical Center-Lakewood and the Department of Mental Health hospitals.

## 3. PROGRAM LISTING (list programs included in this core funding)

Intergovernmental transfers for Safety Net Hospitals.

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	0	187,360,100	234,904,000	199,854,549 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	0	187,360,100	234,904,000	N/A
Actual Expenditures (All Funds)	0	187,360,044	232,998,681	N/A
Unexpended (All Funds)	0	56	1,905,319	N/A
Unexpended, by Fund:				
General Revenue	0	0	N/A	N/A
Federal	0	33	1,231,287	N/A
Other	0	23	674,032	N/A
		(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## **NOTES:**

Estimated "E" appropriation for Federal fund and Intergovernmental Transfers.

- (1) The IGT Safety Net Hospitals program started in FY 2009.
- (2) E increase of \$37,554,000 in Federal funds and \$18,150,000 in Intergovernmental Transfers.

### **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**IGT SAFETY NET HOSPITALS** 

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Other	Total	E
TAFP AFTER VETOES			<u> </u>		· odorai			_
IAIT AITER VETOLO	PD	0.00		0	129,505,748	70,348,801	199,854,549	
	Total	0.00		0	129,505,748	70,348,801	199,854,549	• •
DEPARTMENT CORE REQUEST								-
	PD_	0.00		0	129,505,748	70,348,801	199,854,549	
	Total	0.00		0	129,505,748	70,348,801	199,854,549	•
GOVERNOR'S RECOMMENDED	CORE							
	PD	0.00		0	129,505,748	70,348,801	199,854,549	
	Total	0.00		0	129,505,748	70,348,801	199,854,549	

FY12 Department of Social Service	es Report #1	0					<b>DECISION ITI</b>	EM DETAIL
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
IGT SAFETY NET HOSPITALS								
CORE								
PROGRAM DISTRIBUTIONS	232,998,681	0.00	199,854,549	0.00	199,854,549	0.00	199,854,549	0.00
TOTAL - PD	232,998,681	0.00	199,854,549	0.00	199,854,549	0.00	199,854,549	0.00
GRAND TOTAL	\$232,998,681	0.00	\$199,854,549	0.00	\$199,854,549	0.00	\$199,854,549	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

\$129,505,748

\$70,348,801

0.00

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\$129,505,748

\$70,348,801

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\$129,505,748

\$70,348,801

0.00

0.00

FEDERAL FUNDS

OTHER FUNDS

\$149,222,713

\$83,775,968

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: IGT Safety Net Hospitals** 

Program is found in the following core budget(s): IGT Safety Net Hospitals

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program provides payments for MO HealthNet participants and the uninsured through intergovernmental transfers for safety net hospitals. Safety net hospitals traditionally see a high volume of MO HealthNet/uninsured patients.

Federal Medicaid regulation (42 CFR 433.51) allows state and local governmental units (including public providers) to transfer funds to the state as the non-federal share of Medicaid payments. These transfers are called intergovernmental transfers (IGTs). This funding maximizes eligible costs for federal Medicaid funds, utilizing current state and local funding sources as match for services.

Beginning in FY 2009, the MO HealthNet Division changed from a Certified Public Expenditure (CPE) process to an Intergovernmental Transfer (IGT) process for the non-federal share of hospital payments. The following state owned/operated hospitals and public hospitals are paid from this appropriation: (1) Metropolitan St. Louis Psychiatric Center; (2) Western Missouri Mental Health Center; (3) Hawthorne Children's Psychiatric Hospital; (4) Northwest Missouri Psychiatric Rehabilitation Center; (5) Fulton State Hospital; (6) Southeast Missouri Mental Health Center; (7) St. Louis Psychiatric Rehabilitation Center; (8) Missouri Rehabilitation Center; (9) University Hospital and Clinics; (10) Truman Medical Center – Hospital Hill; and (11) Truman Medical Center – Lakewood.

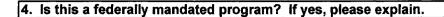
Under the IGT process, hospitals transfer the non-federal share of payments to the state prior to payments being made. The state pays out the total claimable amount including both federal and non-federal share. The state demonstrates that the non-federal share of the payments is transferred to, and under the administrative control of, the Medicaid agency (Department of Social Services) prior to the total computable payments being made to the hospitals.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2)(d)(5)(h). Federal Regulations: 42 CFR 433.51 and 440.20.

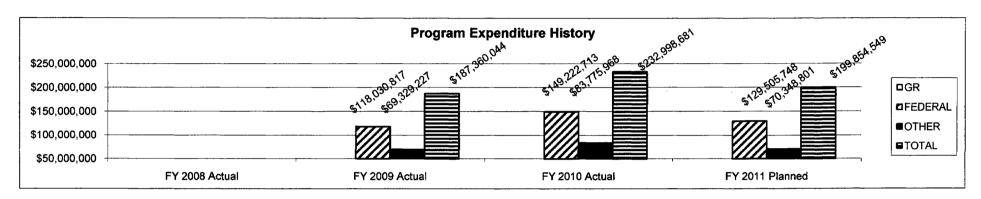
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%. For those public entities identified above who use state and local general revenue to provide eligible services to MO HealthNet participants, the MO HealthNet Division provides payment of the federal share for these eligible services.



No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Program started in FY 2009.

### 6. What are the sources of the "Other" funds?

Department of Social Services Intergovernmental Transfer Fund (0139)

## 7a. Provide an effectiveness measure.

## 7b. Provide an efficiency measure.

## 7c. Provide the number of clients/individuals served, if applicable.

## 7d. Provide a customer satisfaction measure, if available.

## FY12 Department of Social Services Report #9

## **DECISION ITEM SUMMARY**

GRAND TOTAL		\$0	0.00	\$178,630,216	0.00	\$178,630,216	0.00	\$178,630,216	0.00
TOTAL		0	0.00	178,630,216	0.00	178,630,216	0.00	178,630,216	0.00
TOTAL - PD		0	0.00	178,630,216	0.00	178,630,216	0.00	178,630,216	0.0
INTERGOVERNMENTAL TRANSFER		_0 _	0.00	65,731,662	0.00	65,731,662	0.00	65,731,662	0.0
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER		0	0.00	112,898,554	0.00	112,898,554	0.00	112,898,554	0.00
CORE									
IGT DMH MEDICAID PROGRAM									
Budget Object Summary Fund	ACTUAL DOLLAR		ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
Budget Unit Decision Item	FY 2010		FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012

,			

#### **CORE DECISION ITEM**

Department: Social Services
Division: MO HealthNet

Budget Unit: 90571C

**Core: IGT DMH Medicaid Program** 

		FY 2012 Budg	et Request			F	2012 Governor's	Recommendati	on
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS EE PSD TRF		112,898,554	65,731,662	178,630,216 E	PS EE PSD TRF		112,898,554	65,731,662	178,630,216
Total =		112,898,554	65,731,662	178,630,216 E			112,898,554	65,731,662	178,630,216
FTE				0.00	FTE				0.00
Est. Fringe	. 0	0	0	0	Est. Fringe	(	0	0	0

Est. Fringe	0	0	0	0
Note: Fringes	s budgeted in House Bill	5 except for cert	ain fringes b	udgeted directly
to MoDOT, Hi	ighway Patrol, and Cons	servation.		

| Est. Fringe | 0 | 0 | 0 | 0 | Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Intergovernmental Transfers (0139)

Other Funds: Intergovernmental Transfers (0139)

Note:

An "E" is requested for \$65,731,662 Intergovernmental Transfers

and \$112,898,554 Federal Funds.

Note:

An "E" is requested for \$65,731,662 Intergovernmental Transfers

and \$112,898,554 Federal Funds.

#### 2. CORE DESCRIPTION

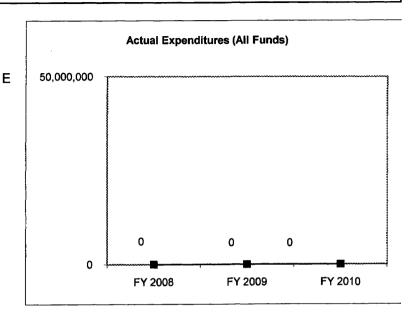
The core request is for funding payments for MO HealthNet participants and the uninsured through intergovernmental transfers for state-owned/operated hospitals and public hospitals for Community Psychiatric Rehabilitation (CPR) and Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR) services. Payments from this program are made to Metropolitan St. Louis Psychiatric Center; Western Missouri Mental Health Center; Hawthorne Children's Psychiatric Hospital; Northwest Missouri Psychiatric Rehabilitation Center; Fulton State Hospital; Southeast Missouri Mental Health Center; and St. Louis Psychiatric Hospital.

## 3. PROGRAM LISTING (list programs included in this core funding)

Intergovernmental transfers for DMH Medicaid Program.

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	0	0	0	178,630,216 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)	0	0	0	N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A
	(1)	(1)	(1)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

Estimated "E" appropriation for Federal fund and Intergovernmental Transfers.

(1) The IGT DMH Medicaid program starts in FY 2011. Services provided by DMH prior to 2011.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

**IGT DMH MEDICAID PROGRAM** 

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Other	Total	E
TAFP AFTER VETOES								
	PD	0.00		0	112,898,554	65,731,662	178,630,216	
	Total	0.00		0	112,898,554	65,731,662	178,630,216	-
DEPARTMENT CORE REQUEST								•
	PD	0.00		0	112,898,554	65,731,662	178,630,216	
	Total	0.00		0	112,898,554	65,731,662	178,630,216	-
GOVERNOR'S RECOMMENDED	CORE							_
	PD	0.00		0	112,898,554	65,731,662	178,630,216	
	Total	0.00		0	112,898,554	65,731,662	178,630,216	-

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Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
IGT DMH MEDICAID PROGRAM			······································					
CORE								
PROGRAM DISTRIBUTIONS	0	0.00	178,630,216	0.00	178,630,216	0.00	178,630,216	0.00
TOTAL - PD	0	0.00	178,630,216	0.00	178,630,216	0.00	178,630,216	0.00
GRAND TOTAL	\$0	0.00	\$178,630,216	0.00	\$178,630,216	0.00	\$178,630,216	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$112,898,554	0.00	\$112,898,554	0.00	\$112,898,554	0.00
OTHER FUNDS	\$0	0.00	\$65,731,662	0.00	\$65,731,662	0.00	\$65,731,662	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: IGT DMH Medicaid Program

Program is found in the following core budget(s): IGT DMH Medicaid Program

#### 1. What does this program do?

PROGRAM SYNOPSIS: This program provides payments for Community Psychiatric Rehabilitation (CPR) and Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR). The Department of Mental Health (DMH) uses a cost-based reimbursement methology to pay for Community Psychiatric Rehabilitation (CPR) and Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR) services. The state match is provided using an Intergovernmental Transfer process.

Federal Medicaid regulation (42 CFR 433.51) allows state and local governmental units (including public providers) to transfer to the Medicaid agency the non-federal share of Medicaid payments. The amounts transferred are used as the state match to earn federal participation. These transfers are called intergovernmental transfers (IGTs). This funding maximizes eligible costs for federal Medicaid funds, utilizing current state and local funding sources as match for services.

Beginning in FY 10, the MO HealthNet Division changed from a Certified Public Expenditure (CPE) process to an Intergovernmental Transfer (IGT) process for the non-federal share of CPR and CSTAR services. This methodology allows DMH to be reimbursed 100% of CPR and CSTAR costs. MO HealthNet pays DMH a reasonable rate for the total costs of providing CPR and CSTAR services. The IGT transfer proves that the state match is available for the CPR and CSTAR programs. The appropriated transfer from General Revenue is in the DMH budget. Under this methodology, reimbursement rates are established for CSTAR and CPR services and the MHD will reimburse DMH both the state and the federal share for these services.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2)(d)(5)(h). Federal Regulations: 42 CFR 433.51 and 440.20.

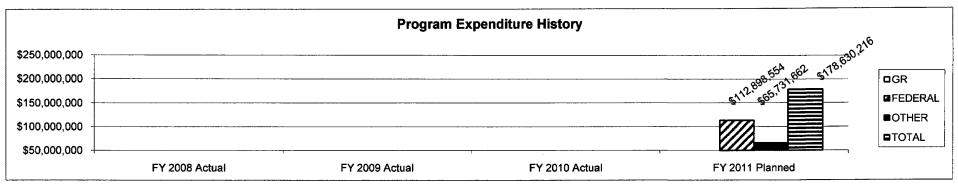
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY11 is a blended 63.595% federal match. The state matching requirement is 36.405%. For those public entities identified above who use state and local general revenue to provide eligible services to MO HealthNet participants, the MO HealthNet Division provides payment of the federal share for these eligible services.

## 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Program started in FY 2011.

#### 6. What are the sources of the "Other" funds?

Department of Social Services Intergovernmental Transfer Fund (0139)

#### 7a. Provide an effectiveness measure.

Effectiveness measures for this program can be found in the Department of Mental Health budget under Comprehensive Substance Treatment and Rehabilitation, Adult Community Programs - Community Treatment and Youth Community Programs - Community Treatment.

## 7b. Provide an efficiency measure.

Efficiency measures for this program can be found in the Department of Mental Health budget under Comprehensive Substance Treatment and Rehabilitation, Adult Community Programs - Community Treatment and Youth Community Programs - Community Treatment.

## 7c. Provide the number of clients/individuals served, if applicable.

The number of clients/individuals served for this program can be found in the Department of Mental Health budget under Comprehensive Substance Treatment and Rehabilitation, Adult Community Programs - Community Treatment and Youth Community Programs - Community Treatment.

## 7d. Provide a customer satisfaction measure, if available.

Customer satisfaction measures for this program can be found in the Department of Mental Health budget under Adult Community Programs - Community Treatment and Youth Community Programs - Community Treatment.

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**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN'S HEALTH SRVC								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	887,223	0.00	892,994	0.00	892,994	0.00	892,994	0.00
TITLE XIX-FEDERAL AND OTHER	5,168,726	0.00	9,337,827	0.00	9,337,827	0.00	8,449,349	0.00
FEDERAL REIMBURSMENT ALLOWANCE	167,756	0.00	167,756	0.00	167,756	0.00	167,756	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	49,034	0.00	49,034	0.00	49,034	0.00
TOTAL - PD	6,223,705	0.00	10,447,611	0.00	10,447,611	0.00	9,559,133	0.00
TOTAL	6,223,705	0.00	10,447,611	0.00	10,447,611	0.00	9,559,133	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	424,441	0.00	50,507	0.00
TITLE XIX-FEDERAL AND OTHER	Ö	0.00	0	0.00	,,	0.00	408,648	0.00
TOTAL - PD	0	0.00		0.00	424,441	0.00	459,155	0.00
TOTAL	0	0.00	0	0.00	424,441	0.00	459,155	0.00
Pharmacy PMPM increase - 1886011								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	20,894	0.00	20,894	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	169.054	0.00	169,054	0.00
TOTAL - PD	0	0.00	0	0.00	189,948	0.00	189,948	0.00
TOTAL	0	0.00	0	0.00	189,948	0.00	189,948	0.00
FMAP Adjustment - 1886017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	888,478	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	888,478	0.00
TOTAL	0	0.00	0	0.00	0	0.00	888,478	0.00
GRAND TOTAL	\$6,223,705	0.00	\$10,447,611	0.00	\$11,062,000	0.00	\$11,096,714	0.00

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#### **CORE DECISION ITEM**

Department: Social Services

Division: MO HealthNet

**Core: Women's Health Services** 

Budget Unit: 90554C

		FY 2012 Budg	et Request			FY 2	012 Governor's	Recommendatio	n
Γ	GR	Federal	Other	Total		GR	Federal	Other	Total
ຮື້					PS				
E					EE				
SD	892,994	9,337,827	216,790	10,447,611	PSD	892,994	8,449,349	216,790	9,559,133
RF					TRF				
otal _	892,994	9,337,827	216,790	10,447,611	Total	892,994	8,449,349	216,790	9,559,133
_			<del></del>						
TE				0.00	FTE				0.00
st. Fringe	0	0	0	0	Est. Fringe	0	0	0	
ote: Fringes	budgeted in House	Bill 5 except for	certain fringes bu	dgeted directly	Note: Fring	es budgeted in Hou	se Bill 5 except fo	r certain fringes b	oudgeted
MoDOT, Hig	hway Patrol, and	Conservation.			directly to N	loDOT, Highway Pa	trol, and Conserva	ation.	
	ederal Reimburse		, , ,	)	Other Fund	s: Federal Reimburs		• • •	ł2)
F	Pharmacy Reimbur	rsement Allowance	e Fund (0144)			Pharmacy Reimb	ursement Allowan	ce Fund (0144)	
lote:	An "E" is requested	l for Federal Fund	authority for \$1 for	or local	Note:	An "E" is requeste	ed for Federal Fun	d authority for \$1	for local
	nitiatives.					initiatives.		· · · · · · · · · · · · · · · ·	

## 2. CORE DESCRIPTION

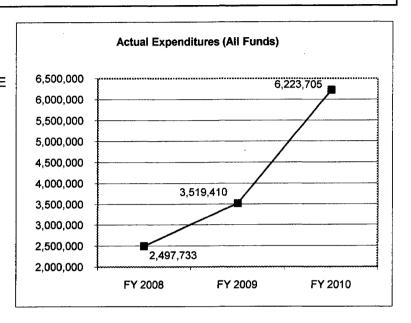
This core request is for ongoing funding for health care services provided to MO HealthNet participants covered through the 1115 Waiver. Funding for this core is used to provide coverage for women's health services.

## 3. PROGRAM LISTING (list programs included in this core funding)

Women's Health Services - 1115 Waiver

### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	2,977,449	13,126,786	13,296,086	10,447,611 E
Less Reverted (All Funds)	0	(950,605)	(358,556)	N/A
Budget Authority (All Funds)	2,977,449	12,176,181	12,937,530	N/A
Actual Expenditures (All Funds)	2,497,733	3,519,410	6,223,705	N/A
Unexpended (All Funds)	479,716	8,656,771	6,713,825	N/A
Unexpended, by Fund:				
General Revenue	281,548	48	0	N/A
Federal	1	8,626,312	6,664,791	N/A
Other	198,167	30,411	49,034	N/A
	(1) (2)	(3)	(4) (5)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

Estimated "E" appropriation for Federal fund authority for \$1 for local initiatives.

- (1) Lapse of \$30,411 in Other (Pharmacy Reimbursement Allowance) is agency reserve.
- (2) Expenditures of \$577,544 were paid from the Supplemental Pool.
- (3) Lapse of \$30,411 in Other (Pharmacy Reimbursement Allowance) is agency reserve.
- (4) Lapse of \$49,034 in Other (Pharmacy Reimbursement Allowance) is agency reserve.
- (5) Expenditures of \$102,666 were paid from the Supplemental Pool.

## 4. FINANCIAL HISTORY

Cost Per E	Eligible
	Wamen's Health Services PMPM
Pharmacy	\$2.10
Physician Related	\$12.08
<b>EPSDT Services</b>	\$0.01
Hospitals	\$0.37
Total	\$14.56

Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

Source: Table 23 Medical Statistics for Fiscal Year 2010

## **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES**

**WOMEN'S HEALTH SRVC** 

## 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	•
TAFP AFTER VETO	ES	-						-
		₽D	0.00	892,994	9,337,827	216,790	10,447,611	
		Total	0.00	892,994	9,337,827	216,790	10,447,611	
DEPARTMENT COR	RE REQUEST							•
		PD	0.00	892,994	9,337,827	216,790	10,447,611	
		Total	0.00	892,994	9,337,827	216,790	10,447,611	
GOVERNOR'S ADD	ITIONAL COR	E ADJUST	MENTS					
Core Reduction	2220 2530	PD	0.00	0	(888,478)	0	(888,478)	
NET GO	OVERNOR CH	ANGES	0.00	0	(888,478)	0	(888,478)	
GOVERNOR'S REC	OMMENDED (	CORE						
		PD	0.00	892,994	8,449,349	216,790	9,559,133	
		Total	0.00	892,994	8,449,349	216,790	9,559,133	

FY12 Department of Social Services Report #10							DECISION ITEM DETAIL	
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
WOMEN'S HEALTH SRVC								
CORE								
PROGRAM DISTRIBUTIONS	6,223,705	0.00	10,447,611	0.00	10,447,611	0.00	9,559,133	0.00
TOTAL - PD	6,223,705	0.00	10,447,611	0.00	10,447,611	0.00	9,559,133	0.00
GRAND TOTAL	\$6,223,705	0.00	\$10,447,611	0.00	\$10,447,611	0.00	\$9,559,133	0.00

\$892,994

\$216,790

\$9,337,827

0.00

0.00

0.00

\$892,994

\$216,790

\$9,337,827

0.00

0.00

0.00

**GENERAL REVENUE** 

FEDERAL FUNDS

OTHER FUNDS

\$887,223

\$167,756

\$5,168,726

0.00

0.00

0.00

\$892,994

\$216,790

\$8,449,349

0.00

0.00

0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Women's Health Services

Program is found in the following core budget(s): Women's Health Services

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides funding for health care services to MO HealthNet clients covered by an approved Centers for Medicare and Medicaid (CMS) 1115 waiver. Clients that are covered through the 1115 waiver receive Women's Health Services.

Under the 1115 Waiver, uninsured women losing their MO HealthNet eligibility 60 days after the birth of their child are eligible for women's health services for one year (12 months). Legislation passed in FY 07 (SB 577) and an approved amendment to the CMS 1115 waiver resulted in the expansion of these services January 1, 2009 to uninsured women who are 18 to 55 years of age, have a net family income of at or below 185% FPL with assets totaling less than \$250,000 and have no access to employer-sponsored health insurance covering family planning services. These new women are not limited to one year of coverage and remain eligible for the program as long as they continue to meet eligibility requirements and require family planning services. Women's health services are defined as:

- •Department of Health and Human Services approved methods of contraception;
- •Sexually transmitted disease testing and treatment, including pap tests and pelvic exams;
- •Family planning counseling/education on various methods of birth control; and
- •Drugs, supplies or devices related to the women's health services described above when they are prescribed by a physician or advanced practice nurse (subject to the national drug rebate program requirements).

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State Statute: RSMo. 208.040, 208.151 and 208.659; Federal law: Social Security Act Sections 1115 and 1923(a)-(f); Federal Regulations: 42 CFR 433 Subpart B and 412.106.

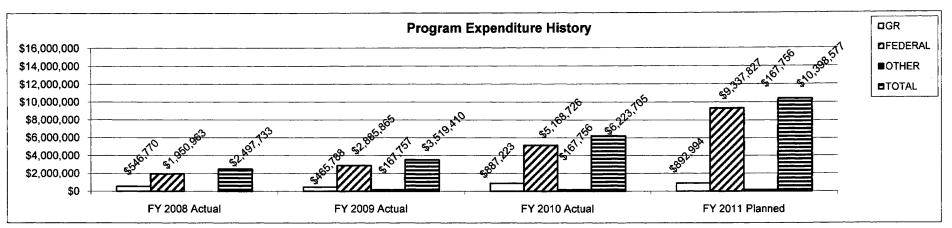
## 3. Are there federal matching requirements? If yes, please explain.

Most of the services provided through the Women's Health Services program are eligible for an enhanced 90% federal match, requiring a state match of only 10%. The remaining services are matched at the federal medical assistance percentage (FMAP) calculated for MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Missouri's FMAP for FY11 for these remaining services is a blended 63.595% federal match. The state matching requirement is 36.405%.

## 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



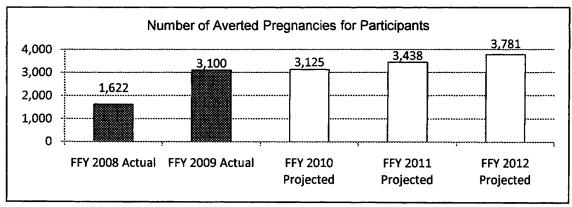
FY11 Reserves: \$49,034 Other Funds

#### 6. What are the sources of the "Other" funds?

Federal Reimbursement Allowance Fund (0142) and Pharmacy Reimbursement Allowance Fund (0144).

#### 7a. Provide an effectiveness measure.

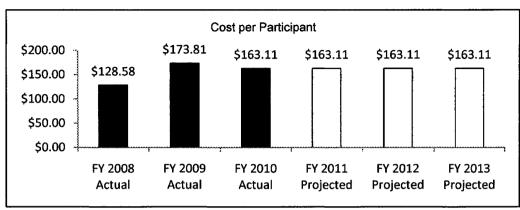
Effectiveness Measure: Increase the number of averted pregnancies for participants. The Women's Health Services program provides family planning services to women assisting them in avoiding unintended pregnancies.



Prior year numbers have been updated with more accurate data.

#### 7b. Provide an efficiency measure.

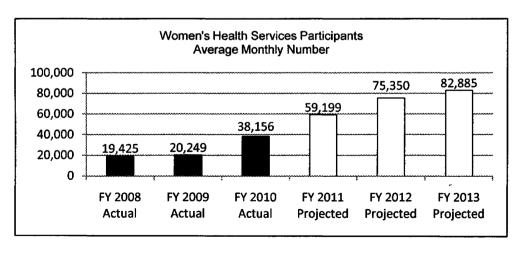
Efficiency Measure: Provide education and outreach to encourage women to access family planning services. Over 38,000 participants accessed family planning services in FY 2010 at a cost of \$6.2 million. The cost per participant was \$163.



Prior year numbers have been updated with more accurate data.

#### 7c. Provide the number of clients/individuals served, if applicable.

SB 577 (FY07) and an approved amendment to the CMS 1115 waiver provided for an expansion of Women's Health Services to women 18 to 55 years of age with a net family income of 185% FPS or below, with assets less than \$250,000 and no access to employer sponsored insurance covering family planning services. Expanded services began January 1, 2009. The figures in the chart below are based on the average monthly number of participants enrolled in the program for each fiscal year.



## 7d. Provide a customer satisfaction measure, if available.

# Tab CHIP

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DECISION ITEM SUMMARY

Budget Unit		-						
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	21,876,116	0.00	23,277,111	0.00	23,277,111	0.00	22,967,232	0.00
TITLE XIX-FEDERAL AND OTHER	112,872,746	0.00	116,118,899	0.00	116,118,899	0.00	116,118,899	0.00
PHARMACY REBATES	225,420	0.00	225,430	0.00	225,430	0.00	225,430	0.00
FEDERAL REIMBURSMENT ALLOWANCE	7,422,886	0.00	7,719,204	0.00	7,719,204	0.00	7,719,204	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	907,611	0.00	907,611	0.00	907,611	0.00
MO HEALTHNET MANAGED CARE ORG	264,499	0.00	1	0.00	. 1	0.00	1	0.00
HEALTH INITIATIVES	5,214,309	0.00	5,375,576	0.00	5,375,576	0.00	5,375,576	0.00
LIFE SCIENCES RESEARCH TRUST	0	0.00	171,206	0.00	171,206	0.00	171,206	0.00
PREMIUM	2,130,425	0.00	2,592,452	0.00	2,592,452	0.00	2,592,452	0.00
TOTAL - PD	150,006,401	0.00	156,387,490	0.00	156,387,490	0.00	156,077,611	0.00
TOTAL	150,006,401	0.00	156,387,490	0.00	156,387,490	0.00	156,077,611	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	375.616	0.00	2.590.982	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,087,062	0.00	7,526,090	0.00
TOTAL - PD		0.00		0.00	1,462,678	0.00	10,117,072	0.00
TOTAL		0.00		0.00	1,462,678	0.00	10,117,072	0.00
TOTAL	U	0.00	U	0.00	1,402,010	0.00	10,117,072	0.00
MO HealthNet Caseload Growth - 1886007								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	4,120,039	0.00	1,415,410	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	11,923,726	0.00	4,111,378	0.00
TOTAL - PD	0	0.00	0	0.00	16,043,765	0.00	5,526,788	0.00
TOTAL	0	0.00	0	0.00	16,043,765	0.00	5,526,788	0.00
Pharmacy PMPM increase - 1886011								
PROGRAM-SPECIFIC								
GENERAL REVENUE	^	0.00	^	0.00	E00 000	0.00	F00 700	0.00
GENERAL REVENUE	0	0.00	0	0.00	582,386	0.00	580,799	0.00

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FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

GRAND TOTAL	\$150,006,40	11	0.00	\$156,387,490	0.00	\$176,161,792	0.00	\$180,246,700	0.00
TOTAL		0	0.00	0	0.00	0	0.00	5,947,491	0.00
TOTAL - PD		0	0.00	0	0.00	0	0.00	5,947,491	0.00
TITLE XIX-FEDERAL AND OTHER		0	0.00	0	0.00	0	0.00	4,424,339	0.00
PROGRAM-SPECIFIC GENERAL REVENUE		0	0.00	0	0.00	0	0.00	1,523,152	0.00
Managed Care Actuarial Inc - 1886018									
TOTAL		0	0.00	0	0.00	0	0.00	309,879	0.00
TOTAL - PD		0	0.00	0	0.00	0	0.00	309,879	0.00
FMAP Adjustment - 1886017 PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER		0	0.00	0			0.00	309,879	0.00
TOTAL		0	0.00	0	0.00	0 2,267,859	0.00	2,267,859	0.00
						<u> </u>			0.00
PROGRAM-SPECIFIC TITLE XIX-FEDERAL AND OTHER TOTAL - PD		0	0.00	0			0.00	1,687,060 2,267,859	0.00
CHILDREN'S HEALTH INS PROGRAM Pharmacy PMPM increase - 1886011									
	DOLLAR	FT	<u> </u>	DOLLAR	FTE	DOLLAR		DOLLAR	
Budget Object Summary Fund	ACTUAL DOLLAR	ACTU		BUDGET	BUDGET	DEPT REQ	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
Decision Item	FY 2010	FY 2		FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Unit									

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90556C

**Division: MO HealthNet** 

Core: Children's Health Insurance Program (CHIP)

1. CORE FIN	ANCIAL SUMMAI					· · · · · · · · · · · · · · · · · · ·			
		FY 2012 Budg					2012 Governor's		
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD	23,277,111	116,118,899	16,991,480	156,387,490 E	PSD	22,967,232	116,118,899	16,991,480	156,077,611 E
TRF					TRF				
Total	23,277,111	116,118,899	16,991,480	156,387,490 E	Total	22,967,232	116,118,899	16,991,480	156,077,611 E
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
1	s budgeted in Hous ighway Patrol, and	•	certain fringes bu	dgeted directly	_	es budgeted in Hou DOT, Highway Pa	•	_	budgeted
Other Funds:	Federal Reimburs Managed Care Or Health Initiatives F Pharmacy Rebate Pharmacy Reimbu Premium Fund (08 Life Sciences Res	g Reimb Allowanc Fund (HIF) (0275) es Fund (0114) ursement Allowanc 885)	e Fund (0160) e Fund (0144)	2)	Other Funds:	Health Initiatives Pharmacy Rebate Pharmacy Reimb Premium Fund (0	org Reimb Allowar Fund (HIF) (0275 es Fund (0114) oursement Allowar	nce Fund (0160) nce Fund (0144)	42)
Note:	An "E" is requeste Reimbursement A	•	Care Organizatio	n	Note:	An "E" is request Reimbursement	ed for \$1 Manage Allowance.	d Care Organiza	tion

## 2. CORE DESCRIPTION

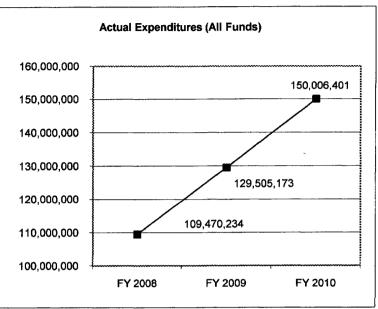
This core request is for ongoing funding for health care services provided to MO HealthNet clients. The Children's Health Insurance Program (CHIP) Title XXI funds are utilized for this expanded MO HealthNet population. Funding for this core is used to provide coverage for uninsured children.

# 3. PROGRAM LISTING (list programs included in this core funding)

Children's Health Insurance Program (CHIP)

### 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	163,842,163	187,544,853	190,849,618	156,387,490 E
Less Reverted (All Funds)	0	(161,267)	(9,081,038)	N/A
Budget Authority (All Funds)	163,842,163	187,383,586	181,768,580	N/A
Actual Expenditures (All Funds)	109,470,234	129,505,173	150,006,401	N/A
Unexpended (All Funds)	54,371,929	57,878,413	31,762,179	N/A
Unexpended, by Fund:				
General Revenue	6,662,085	4,250,806	0	N/A
Federal	35,425,487	40,601,135	30,092,912	N/A
Other	12,284,357	13,026,472	1,669,267	N/A
	(1)	(2)	(3)	



An "E" is requested for \$1 Managed Care Organization Reimbursement Allowance
Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## **NOTES:**

- (1) Agency reserve of \$4,549,005: \$201,394 in Pharmacy Reimbursement Allowance, \$95,475 in MC-Reimbursement Allowance and \$4,252,136 in Premium Fund.
- (2) Agency reserve of \$50,170,598: \$201,394 in Pharmacy Reimbursement Allowance, \$4,300,000 in Premium Fund (empty authority); \$7,719,204 in Federal Reimbursement Allowance (not included in the FY2009 FRA assessment); \$33,700,000 in Federal Fund (empty authority); and \$4,250,000 in General Revenue Fund authority.
- (3) Agency reserve of \$1,369,563: \$907,611 in Pharmacy Reimbursement Allowance and \$461,952 in Premium Fund.

## 4. FINANCIAL HISTORY

CHIP Cost Per Eligible							
	CHIP PMPM						
Pharmacy	\$42.97						
Physician Related	\$14.18						
Dental	\$1.99						
In-Home Services	\$0.01						
Rehab & Specialty	\$1.82						
EPSDT Services	\$11.11						
Managed Care	\$89.97						
Hospitals	\$21.86						
Mental Health Services	\$2.71						
Services provided in State Inst	\$5.34						
Total	\$191.96						

Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

Mental Health Services and Services provided in a State Institution are not part of this core.

Source: Table 23 Medical Statistics for Fiscal Year 2010

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES CHILDREN'S HEALTH INS PROGRAM

# 5. CORE RECONCILIATION DETAIL

		Budget						
		Class	FTE	GR	Federal	Other	Total	
TAFP AFTER VET	OES							
		PD	0.00	23,277,111	116,118,899	16,991,480	156,387,490	
		Total	0.00	23,277,111	116,118,899	16,991,480	156,387,490	
DEPARTMENT CO	RE REQUEST							
		PD	0.00	23,277,111	116,118,899	16,991,480	156,387,490	
		Total	0.00	23,277,111	116,118,899	16,991,480	156,387,490	
GOVERNOR'S AD	DITIONAL COR	E ADJUST	MENTS					
Core Reduction	2215 2866	PD	0.00	(309,879)	0	0	(309,879)	
NET G	OVERNOR CH	ANGES	0.00	(309,879)	0	0	(309,879)	
GOVERNOR'S RE	COMMENDED	CORE						
		PD	0.00	22,967,232	116,118,899	16,991,480	156,077,611	
		Total	0.00	22,967,232	116,118,899	16,991,480	156,077,611	

FY12	Departmen	t of Soc	ial Service	s Report #10
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Y12 Department of Social Services Report #10							DECISION ITEM DETA			
Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012		
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC		
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE		
CHILDREN'S HEALTH INS PROGRAM			•			<u> </u>				
CORE										
PROGRAM DISTRIBUTIONS	150,006,401	0.00	156,387,490	0.00	156,387,490	0.00	156,077,611	0.00		
TOTAL - PD	150,006,401	0.00	156,387,490	0.00	156,387,490	0.00	156,077,611	0.00		
GRAND TOTAL	\$150,006,401	0.00	\$156,387,490	0.00	\$156,387,490	0.00	\$156,077,611	0.00		
GENERAL REVENUE	\$21,876,116	0.00	\$23,277,111	0.00	\$23,277,111	0.00	\$22,967,232	0.00		
FEDERAL FUNDS	\$112,872,746	0.00	\$116,118,899	0.00	\$116,118,899	0.00	\$116,118,899	0.00		
OTHER FUNDS	\$15,257,539	0.00	\$16,991,480	0.00	\$16.991,480	0.00	\$16,991,480	0.00		

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Children's Health Insurance Program (CHIP)

Program is found in the following core budget(s): Children's Health Insurance Program (CHIP)

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides for eligibility for health care services to MO HealthNet clients covered through a combination of a Medicaid State Plan for children whose families have income of 150% of the federal poverty level (FPL) or below and a Children's Health Insurance Program (CHIP) State Plan for children whose families have income over 150% of the FPL. CHIP provides coverage to uninsured children above existing MO HealthNet eligibility limits up to 300% of the FPL.

The Children's Health Insurance Program is integrated into Missouri's MO HealthNet coverage. This integration was made possible through the passage of Senate Bill 632 of the second regular session of the 89th General Assembly (1998). Senate Bill 632 expanded the MO HealthNet program for children with family incomes from 200% to 300% of the federal poverty level.

Using CHIP, Missouri continues its commitment to improve medical care for its low income children by increasing their access to comprehensive medical services.

Eligible children must be under age 19, have a family income below 300% of the federal poverty level, be uninsured for six months or more, and have no access to other health insurance coverage for less than \$69 to \$172 per month during SFY11 based on family size and income. Any child identified as having special health care needs (defined as a condition which left untreated would result in the death or serious physical injury of a child) who does not have access to affordable employer-subsidized health care insurance will not be required to be without health care coverage for six months in order to be eligible for services. They are also not subject to the waiting period as long as the child meets all other qualifications for eligibility.

Uninsured children with family income of 150% FPL or below receive a package of benefits equal to MO HealthNet coverage. Uninsured children with family income above 150% FPL receive a package of benefits equal to MO HealthNet coverage, without non-emergency medical transportation. Parents of children eligible for coverage above 150% and below 300% of the federal poverty level must show parental responsibility through the following:

- ·participation in immunization and wellness programs;
- •furnishing the uninsured child's social security number;
- cooperation with third party insurance carriers;
- •sharing in their children's health care costs through premiums.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.631 through 208.657; Federal law: Social Security Act, Title XXI; Federal Regulations: 42 CFR 457.

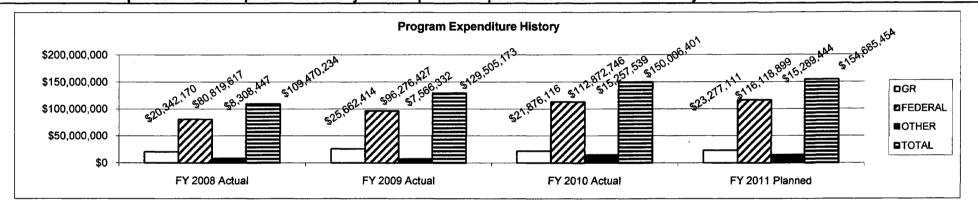
## 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Missouri's enhanced CHIP FMAP for FY11 is a blended 74.515% federal match. The state matching requirement for the SCHIP program is 25.485%.

## 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



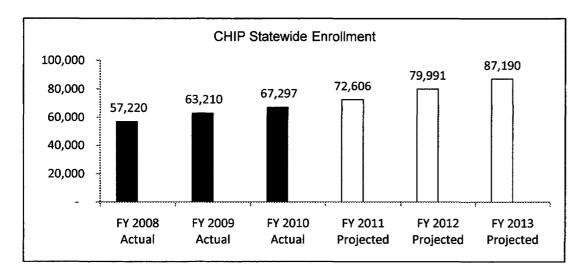
FY11 Reserve: \$1,540,769 Other Funds FY11 Reverted: \$161,267 Other Funds

### 6. What are the sources of the "Other" funds?

Pharmacy Rebates Fund (0114), Federal Reimbursement Allowance Fund (0142), Pharmacy Reimbursement Allowance Fund (0144), Health Initiatives Fund (0275), Premium Fund (0885), MO HealthNet Managed Care Organization Reimbursement Allowance Fund (0160), Life Sciences Research Trust Fund (0763).

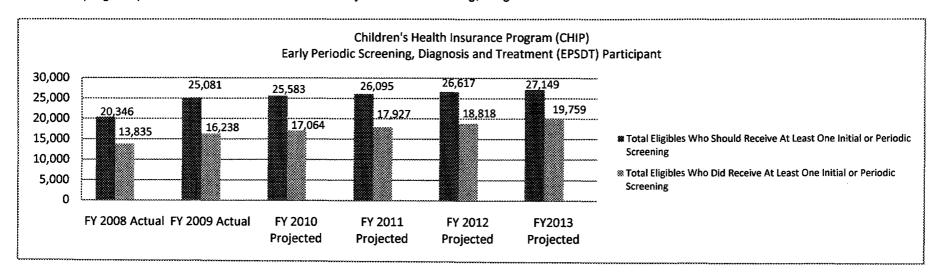
## 7a. Provide an effectiveness measure.

The CHIP program continues to provide health care coverage to thousands of Missouri's children. These children would be uninsured without CHIP coverage.



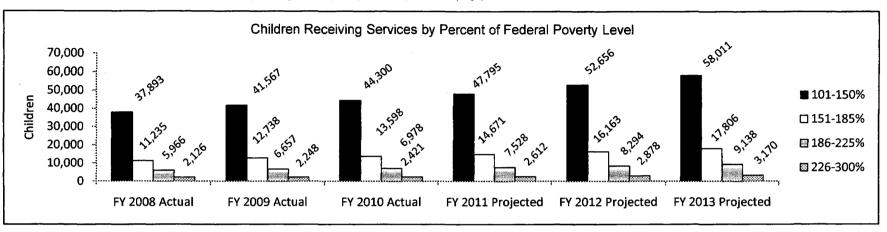
## 7b. Provide an efficiency measure.

The CHIP program provides uninsured children with Early Periodic Screening, Diagnosis and Treatment services.



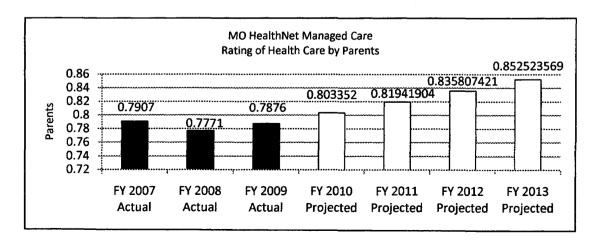
## 7c. Provide the number of clients/individuals served, if applicable.

Participants are children above the existing Title XIX Medicaid eligibility up to 300% of the federal poverty level (FPL). As of September 2005, children in the categories from 151-300% of the federal poverty level (FPL) are required to pay premiums.



## 7d. Provide a customer satisfaction measure, if available.

Children with CHIP coverage who reside in a MO HealthNet Managed Care region, receive their services from the MO HealthNet Managed Care health plans. Participants enrolled in MO HealthNet Managed Care health plans reported their satisfaction with the program on a scale of 0 to 10. 0 was the worst care possible and a 10 was the best care possible. The percentage of participants reporting an 8, 9, or 10 is reported in the chart below.



FY12 Department	of Social Services	s Report #9

# **DECISION ITEM SUMMARY**

GRAND TOTAL	\$211,967,418	0.00	\$235,091,756	0.00	\$235,091,756	0.00	\$235,091,756	0.00
TOTAL	211,967,418	0.00	235,091,756	0.00	235,091,756	0.00	235,091,756	0.00
TOTAL - PD	211,967,418	0.00	235,091,756	0.00	235,091,756	0.00	235,091,756	0.00
PROGRAM-SPECIFIC NURSING FACILITY FED REIM ALLW	211,967,418	0.00	235,091,756	0.00	235,091,756	0.00	235,091,756	0.00
CORE								
NURSING FACILITY FED REIMB AL								<u> </u>
Budget Object Summary Fund	ACTUAL DOLLAR	ACTUAL FTE	BUDGET DOLLAR	BUDGET FTE	DEPT REQ DOLLAR	DEPT REQ FTE	GOV REC DOLLAR	GOV REC FTE
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Unit								

#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90567C

**Division: MO HealthNet** 

Core: Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments

1. CORE FIN	ANCIAL SUMMA	RY		·····							
		FY 2012 Bud	get Request				F'	2012 Governor	's Recommendat	ion	
	GR	Federal	Other	Total	7		GR	Federal	Other	Total	]
PS EE						PS EE					
PSD			235,091,756	235,091,756	Ε	PSD			235,091,756	235,091,756	; E
TRF					_	TRF					
Total			235,091,756	235,091,756	_E	Total			235,091,756	235,091,756	<u>.</u> E
FTE				0.00	İ	FTE				0.00	0
Est. Fringe	0	0	0	0	1	Est. Fringe	(	0	0	C	<u> </u>
Note: Fringes	s budgeted in Hou	ise Bill 5 except fo	r certain fringes bu	idgeted directly	7	Note: Fringe	s budgeted in H	ouse Bill 5 except	for certain fringes	budgeted	7
to MoDOT, Hi	ghway Patrol, and	d Conservation.			]	directly to Mo	DOT, Highway	Patrol, and Conse	ervation.		╛
Other Funds:	Nursing Facility F	ederal Reimb Allo	wance Fund (NFF	RA) (0196)		Other Funds:	: Nursing Facility	Federal Reimb A	Mowance Fund (N	FFRA) (0196)	
Note:	An "E" is request	ed for the Nursing	Facility Federal			Note:	An "E" is reque	sted for the Nursi	ng Facility Federal		
	Reimbursement A	Allowance Fund.					Reimbursemer	it Allowance Fund			
2 CORE DES	COURTION										

#### 2. CORE DESCRIPTION

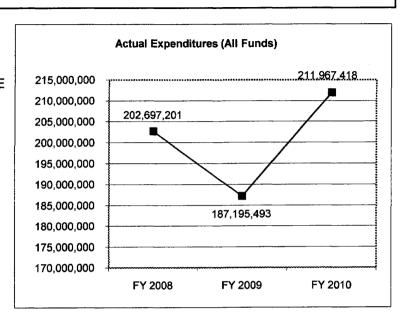
This core request is for ongoing funding for payments for long term care for Title XIX participants. Funds from this core are used to provide enhanced payment rates for improving the quality of patient care using the Nursing Facility Federal Reimbursement Allowance under the Title XIX of the Social Security Act as General Revenue equivalent. Nursing facilities are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, earns federal dollars. These earnings fund this NFFRA program appropriation.

# 3. PROGRAM LISTING (list programs included in this core funding)

Nursing Facilities Federal Reimbursement Allowance (NFFRA) Program

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	213,840,231	213,840,231	235,091,756	235,091,756 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	213,840,231	213,840,231	235,091,756	N/A
Actual Expenditures (All Funds)	202,697,201	187,195,493	211,967,418	N/A
Unexpended (All Funds)	11,143,030	26,644,738	23,124,338	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	11,143,030	26,644,738	23,124,338	N/A
	(1)	(2)		



## NOTES:

Estimated "E" appropriation authority for NFFRA fund for FY 2010 and FY 2011.

- (1) Agency reserve of \$1,773,065 in NFFRA fund. Lapse of \$9,369,965 is excess authority.
- (2) Lapse of \$26,644,738 is excess authority.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES NURSING FACILITY FED REIMB AL

## 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR		Federal	Oth	er	Total	E
TAFP AFTER VETOES					, ,				
	PD	0.00		0	0	235,0	91,756	235,091,756	
	Total	0.00		0	0	235,0	91,756	235,091,756	
DEPARTMENT CORE REQUEST	<del></del>								•
	PD	0.00		0	0	235,0	91,756	235,091,756	
	Total	0.00		0	0	235,0	91,756	235,091,756	
GOVERNOR'S RECOMMENDED	CORE								•
	PD	0.00		0	0	235,0	91,756	235,091,756	
	Total	0.00		0	0	235,0	91,756	235,091,756	•

DE	CIS	ION	ITEM	DET	ΔII
	CIO				

Budget Unit Decision Item Budget Object Class	FY 2010 ACTUAL DOLLAR	FY 2010 ACTUAL FTE	FY 2011 BUDGET DOLLAR	FY 2011 BUDGET FTE	FY 2012 DEPT REQ DOLLAR	FY 2012 DEPT REQ FTE	FY 2012 GOV REC DOLLAR	FY 2012 GOV REC FTE
NURSING FACILITY FED REIMB AL		<del></del>						
CORE								
PROGRAM DISTRIBUTIONS	211,967,418	0.00	235,091,756	0.00	235,091,756	0.00	235,091,756	0.00
TOTAL - PD	211,967,418	0.00	235,091,756	0.00	235,091,756	0.00	235,091,756	0.00
GRAND TOTAL	\$211,967,418	0.00	\$235,091,756	0.00	\$235,091,756	0.00	\$235,091,756	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$211,967,418	0.00	\$235,091,756	0.00	\$235,091,756	0.00	\$235,091,756	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments

Program is found in the following core budget(s): Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments

## 1. What does this program do?

PROGRAM SYNOPSIS: Provides enhanced payments for long-term care for MO HealthNet participants.

The Nursing Facilities Federal Reimbursement Assessment (NFFRA) program assesses nursing facilities in the state a fee for the privilege of doing business in the state. The funds collected by the state are used to fund the MO HealthNet Nursing Facility program and are used as state match for federal funding. In FY10, approximately 520 nursing facilities were assessed, and an average of 500 nursing facilities participated in the MO HealthNet program and received enhanced reimbursement. In FY 2011, the NFFRA will be \$9.27 per patient occupancy day and will fund a portion of the nursing facility per diem reimbursement rate.

In FY 1995, the Nursing Facilities Federal Reimbursement Allowance program was implemented as part of a total restructuring of reimbursement for nursing homes. Reimbursement methodologies were changed to develop a cost component system. The components are patient care, ancillary, administration, and capital. A working capital allowance, incentives and the Nursing Facility Reimbursement Allowance (NFFRA) are also elements of the total reimbursement rate. Patient care includes nursing, medical supplies, activities, social services, and dietary costs. Ancillary services are therapies, barber and beauty shop, laundry, and housekeeping. Administration includes plant operation costs and administrative costs. Capital costs are reimbursed through a fair rental value methodology. The capital component includes five types of costs: rental value, return, computed interest, borrowing costs and pass - through expenses. Property insurance and real estate and personal property taxes (the pass-through expenses) are the only part of the capital component that is trended. The working capital allowance per diem rate is equal to 1.1 months of the total of the facility's per diem rates for the patient care, ancillary and administration cost components multiplied by the prime rate plus 2%. Incentives are paid to encourage patient care expenditures and cost efficiencies in administration. The patient care incentive is 10% of a facility's patient care per diem up to a maximum of 130% of the patient care median. The ancillary incentive is paid to all facilities whose costs are below the ancillary ceiling. The amount is one-half the difference between certain parameters. The multiple component incentive is allowed for facilities whose patient care and ancillary per diem are between 60 - 80% of total per diem and an additional amount is allowed for facilities with high MO HealthNet utilization.

# 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 198.401; Federal law: Social Security Action Section 1903(w); Federal Regulation: 42 CFR 443, Subpart B

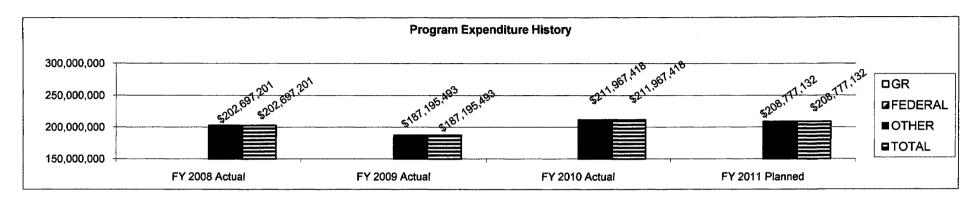
# 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY 11 is a blended 63.595% federal match. The state matching requirement is 36.405%. The nursing facility assessments serve as the general revenue equivalent to earn Medicaid federal reimbursement.

### 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

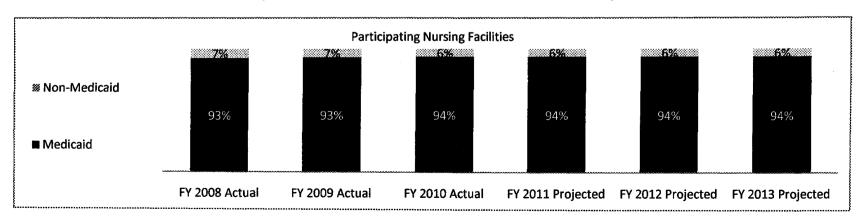


## 6. What are the sources of the "Other" funds?

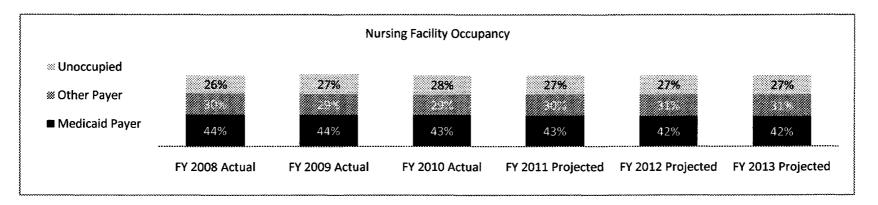
Nursing Facility Federal Reimbursement Allowance Fund (0196)

#### 7a. Provide an effectiveness measure.

Effectiveness Measure 1: Provide reimbursement that is sufficient to ensure nursing facilities enroll in the MO HealthNet program. During the past three state fiscal years, over 90% of licensed nursing facilities in the state participated in the MO HealthNet program.

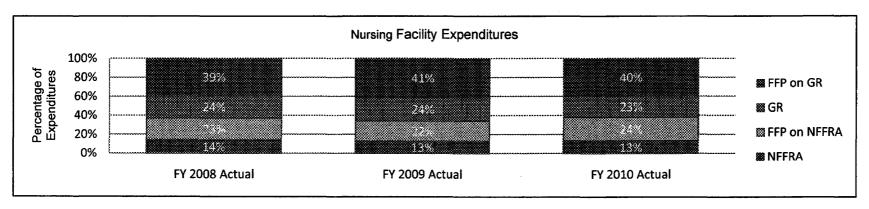


Effectiveness Measure 2: Provide adequate reimbursement to ensure MO HealthNet participants have sufficient access to care. In the past three state fiscal years, at least 26% of nursing facility beds were unoccupied. There are a sufficient number of beds available to care for MO HealthNet participants.



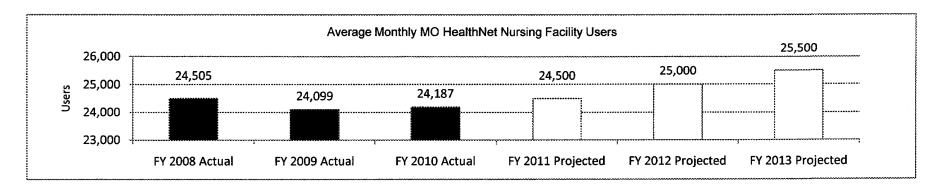
## 7b. Provide an efficiency measure.

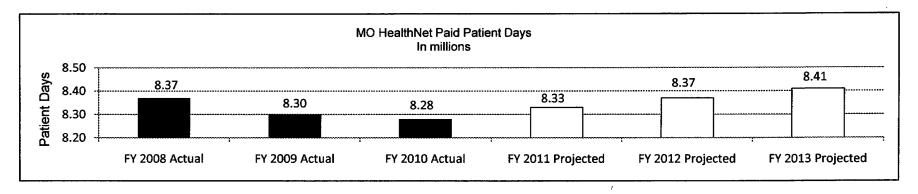
Efficiency Measure 1: Provide funding for the nursing facility program. During the past three state fiscal years, the nursing facility provider tax and the federal matching funds on the assessment provided at least 35% of nursing facility expenditures. NFFRA allows the state to provide enhanced reimbursements to nursing facilities minimizing the need for general revenue.



## 7c. Provide the number of clients/individuals served, if applicable.

Nursing Facility Federal Reimbursement Allowance (NFFRA) payments are made on behalf of MO HealthNet eligibles for long-term care services.





# 7d. Provide a customer satisfaction, if applicable.

FY12 Department of Social Services Report #9

**DECISION ITEM SUMMARY** 

Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
SCHOOL DISTRICT CLAIMING								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	69,954	0.00	69,954	0.00	69,954	0.00	69,954	0.00
TITLE XIX-FEDERAL AND OTHER	34,590,301	0.00	33,299,954	0.00	33,299,954	0.00	33,299,954	0.00
TOTAL - PD	34,660,255	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
TOTAL	34,660,255	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
MO HealthNet Cost to Continue - 1886012								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	23,933,027	0.00	21,353,816	0.00
TOTAL - PD	0	0.00	0	0.00	23,933,027	0.00	21,353,816	0.00
TOTAL	0	0.00	0	0.00	23,933,027	0.00	21,353,816	0.00
GRAND TOTAL	\$34,660,255	0.00	\$33,369,908	0.00	\$57,302,935	0.00	\$54,723,724	0.00

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#### **CORE DECISION ITEM**

**Department: Social Services** 

Budget Unit: 90569C

**Division: MO HealthNet** 

**Core: School District Medicaid Claiming** 

1. CORE FINA	NCIAL SUMMAR	Y		· · · · · · · · · · · · · · · · · · ·						
		FY 2012 Budge	et Request			FY 2	012 Governor's	Recommendat	ion	
Γ	GR	Federal	Other	Total		GR	Federal	Other	Total	]
PS					PS	•				_
EE					EE					
PSD	69,954	33,299,954		33,369,908	E PSD	69,954	33,299,954		33,369,908	Ε
TRF					TRF	•				
Total	69,954	33,299,954		33,369,908	<b>Total</b>	69,954	33,299,954		33,369,908	_E
-										-
FTE				0.00	FTE				0.00	)
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0	Ŋ
Note: Fringes	budgeted in House	Bill 5 except for	certain fringes b	udgeted directly	Note: Fringes	s budgeted in Hous	se Bill 5 except fo	r certain fringes	budgeted	1
to MoDOT, Hig	hway Patrol, and (	Conservation.			directly to Mo	DOT, Highway Pat	rol, and Conserv	ation.		
										_
Other Funds:					Other Funds:					

#### .....

Note:

An "E" is requested for the \$33,299,954 Federal Fund authority.

Note:

An "E" is requested for the \$33,299,954 Federal Fund authority.

### 2. CORE DESCRIPTION

This core request is for the ongoing funding for payments for school-based administrative and school-based EPSDT services.

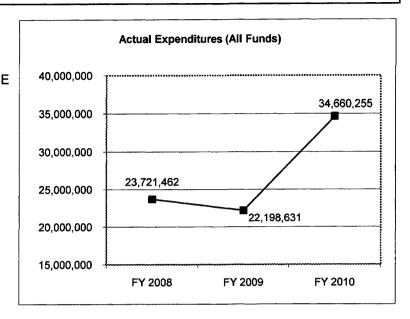
A goal of the MO HealthNet program is for each child to be healthy. The purpose of the services provided by the school is to ensure a comprehensive, preventative health care program for MO HealthNet eligible children. The program provides early and periodic (EPSDT) medical/dental screenings, diagnosis and treatment to correct or improve defects and chronic conditions found during the screenings.

# 3. PROGRAM LISTING (list programs included in this core funding)

School-based administrative and school-based EPSDT services.

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	33,369,908	33,369,908	35,924,908	33,369,908 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	33,369,908	33,369,908	35,924,908	N/A
Actual Expenditures (All Funds)	23,721,462	22,198,631	34,660,255	N/A
Unexpended (All Funds)	9,648,446	11,171,277	1,264,653	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	9,648,446	11,171,277	1,264,653	N/A
Other	0	0	0	N/A
		(1)	(2) (3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## NOTES:

Estimated "E" appropriations for Federal fund.

- (1) Expenditures of \$20,803 were paid from the Supplemental Pool.
- (2) Expenditures of \$22,707 were paid from the Supplemental Pool and \$3,064 from Physician Related appropriation.
- (3) E increase of \$2,555,000.

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

SCHOOL DISTRICT CLAIMING

# 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	
TAFP AFTER VETOES							
	PD	0.00	69,954	33,299,954	0	33,369,90	3
	Total	0.00	69,954	33,299,954	0	33,369,90	3
DEPARTMENT CORE REQUEST						· · · · · · · · · · · · · · · · · · ·	_
	PD	0.00	69,954	33,299,954	Ò	33,369,90	3
	Total	0.00	69,954	33,299,954	0	33,369,90	3
GOVERNOR'S RECOMMENDED	CORE						_
	PD	0.00	69,954	33,299,954	0	33,369,908	3
	Total	0.00	69,954	33,299,954	0	33,369,90	3

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
SCHOOL DISTRICT CLAIMING								
CORE								
PROGRAM DISTRIBUTIONS	34,660,255	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
TOTAL - PD	34,660,255	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
GRAND TOTAL	\$34,660,255	0.00	\$33,369,908	0.00	\$33,369,908	0.00	\$33,369,908	0.00
GENERAL REVENUE	\$69,954	0.00	\$69,954	0.00	\$69,954	0.00	\$69,954	0.00
FEDERAL FUNDS	\$34,590,301	0.00	\$33,299,954	0.00	\$33,299,954	0.00	\$33,299,954	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

**Program Name: School Districts Medicaid Claiming** 

Program is found in the following core budget(s): School Districts Medicaid Claiming

## 1. What does this program do?

PROGRAM SYNOPSIS: Provides funding for payments for school-based administrative claiming and school-based EPSDT services.

This core appropriation provides funding for payment for school district administration claiming and school-based EPSDT services consisting of physical, occupational, and speech therapy services, audiology, personal care, private duty nursing, and psychology counseling for school age children identified in an Individualized Education Plan (IEP). An interagency agreement is in place between the MO HealthNet Division and participating school districts for administrative claiming. For school based direct services, each school district enrolls with MO HealthNet to provide the most efficient administration of the school-based EPSDT services for children within the school system. The provision of school-based EPSDT services by DESE school districts expands MO HealthNet EPSDT services and has been determined to be an effective method of coordinating services and improving care associated with providing identified services which are medically necessary and covered MO HealthNet services. The federal share of expenditures for these services provided by DESE school districts are being paid through this appropriation.

## 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The authority for this appropriation is the authority associated with the services reflected above.

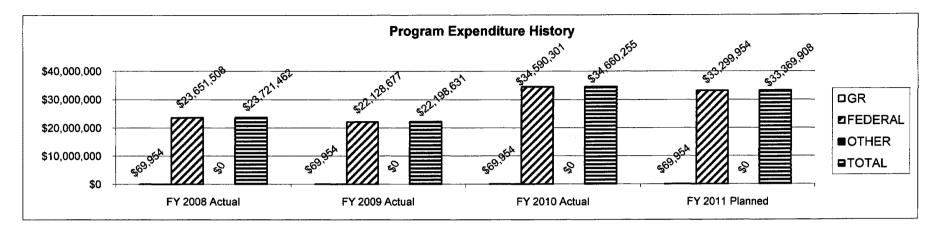
## 3. Are there federal matching requirements? If yes, please explain.

Medicaid allowable services provided by school districts receive a federal medical assistance percentage (FMAP) on expenditures. Administrative expenditures earn a 50% federal match and the state matching requirement is 50%. Direct services earn a higher federal participation rate. Generally, Missouri's FMAP for FY 11 is a blended 63.595% federal match rate. The state matching requirement is 36.405%.

# 4. Is this a federally mandated program? If yes, please explain.

No

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

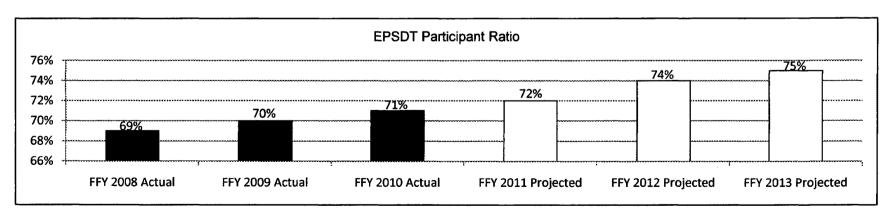


## 6. What are the sources of the "Other" funds?

N/A

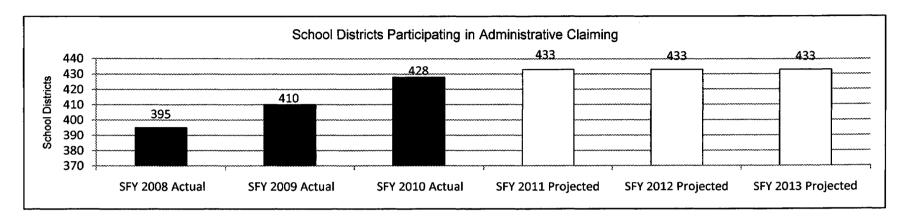
## 7a. Provide an effectiveness measure.

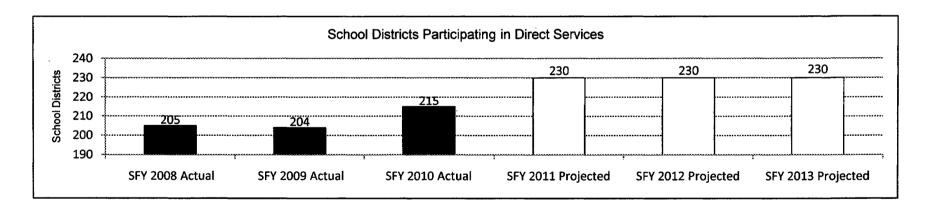
Effectiveness Measure 1: Increase the provision of medically necessary services to MO HealthNet eligible children as provided through EPSDT by 42 CFR 441 Subpart B. For the past three federal fiscal years, the EPSDT participant ratio has increased by 1%. The rate for FFY10 is 71%.



Based on prior federal fiscal year as reported to CMS.

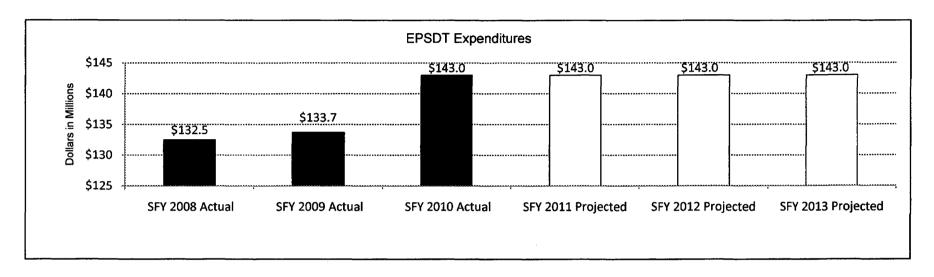
Effectiveness Measure 2: Increase the number of schools participating in administrative claiming and direct services. In SFY 2010 there were 428 schools participating in administrative claiming which is an increase of 18 schools. In SFY 2010, there were 215 school districts participating in direct services which is an increase of 11 schools. Any school district in the state may participate.



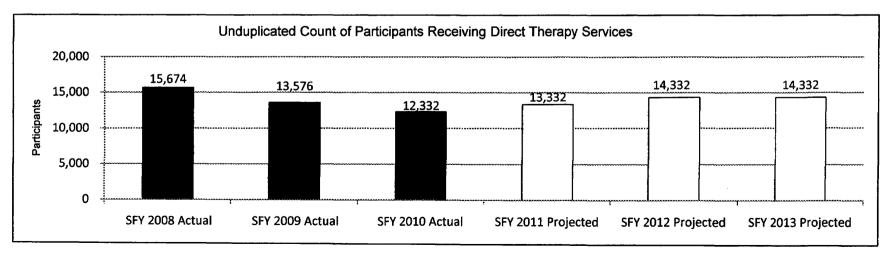


## 7b. Provide an efficiency measure.

Efficiency Measure: Increase the EPSDT participant ratio while maximizing federal claiming opportunities to benefit local school districts. In SFY 2009, EPSDT expenditures increased approximately 1% from SFY 2008 which corresponds with the EPSDT participant ratio increase of 1% for each of those years. SFY10 EPSDT expenditures are \$143 million.



# 7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

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**DECISION ITEM SUMMARY** 

Budget Unit	· · · · · · · · · · · · · · · · · · ·							
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE MEDICAL								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	162,500	0.00	150,000	0.00	176,250	0.00	176,250	0.00
PHARMACY REIMBURSEMENT ALLOWAN	13,750	0.00	0	0.00	0	0.00	0	0.00
TOTAL - EE	176,250	0.00	150,000	0.00	176,250	0.00	176,250	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	29,221,161	0.00	31,091,106	0.00	31,064,856	0.00	31,064,856	0.00
PHARMACY REIMBURSEMENT ALLOWAN	1,446,578	0.00	1,460,328	0.00	1,460,328	0.00	1,460,328	0.00
HEALTH INITIATIVES	342,834	0.00	353,437	0.00	353,437	0.00	353,437	0.00
TOTAL - PD	31,010,573	0.00	32,904,871	0.00	32,878,621	0.00	32,878,621	0.00
TOTAL	31,186,823	0.00	33,054,871	0.00	33,054,871	0.00	33,054,871	0.00
Pharmacy PMPM increase - 1886011								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	736,767	0.00	736,767	0.00
TOTAL - PD	0	0.00	0	0.00	736,767	0.00	736,767	0.00
TOTAL	0	0.00	0	0.00	736,767	0.00	736,767	0.00
GRAND TOTAL	\$31,186,823	0.00	\$33,054,871	0.00	\$33,791,638	0.00	\$33,791,638	0.00

#### **CORE DECISION ITEM**

Department: Social Services
Division: MO HealthNet
Core: State Medical

Budget Unit: 90585C

1. CORE FINANCIAL	<b>SUMMARY</b>
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		FY 2012 Bud	get Request			FY 2	012 Governor's	Recommendation	on
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE	176,250			176,250	EE	176,250			176,250
PSD	31,064,856		1,813,765	32,878,621	PSD	31,064,856		1,813,765	32,878,621
TRF					TRF	, ,			
Total	31,241,106		1,813,765	33,054,871	Total	31,241,106		1,813,765	33,054,871
			<del>-</del>						
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringe:	s budgeted in Hou	se Bill 5 except fo	or certain fringes b	oudgeted directly
to MoDOT. H	iahway Patrol, and	d Conservation.		

Est. Fringe 0 0 0 0 0 0 Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)

Pharmacy Reimbursement Allowance Fund (0144)

Other Funds: Health Initiatives Fund (HIF) (0275)

Pharmacy Reimbursement Allowance Fund (0144)

## 2. CORE DESCRIPTION

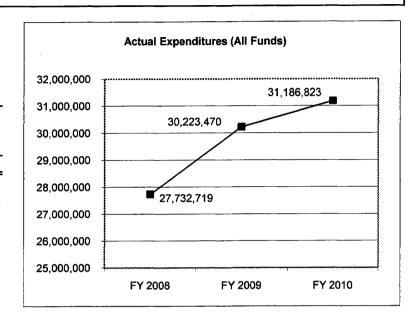
This core request is for the continued funding of the fee-for-service programs for the State Medical participants. Funding is necessary to provide health care services to this population. In addition, this core is used to reimburse providers for mandatory child death autopsies. Autopsy reimbursement is a key component of Child Fatality Review Program (CFRP). This core will also be used to pay for court ordered tuberculosis testing as needed.

# 3. PROGRAM LISTING (list programs included in this core funding)

State Medical Services

# 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	27,732,719	30,234,821	31,197,426	33,054,871
Less Reverted (All Funds)	0	(10,603)	(10,603)	N/A
Budget Authority (All Funds)	27,732,719	30,224,218	31,186,823	N/A
Actual Expenditures (All Funds)	27,732,719	30,223,470	31,186,823	N/A
Unexpended (All Funds)	0	748	00	N/A
Unexpended, by Fund:				
General Revenue	0	748	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

## **NOTES:**

- (1) Expenditures of \$302,027 were paid from the Supplemental Pool.
- (2) Expenditures of \$358,091 were paid from the Supplemental Pool.
- (3) Expenditures of \$1,294,781 were paid from the Supplemental Pool.

# **CORE RECONCILIATION DETAIL**

# **DEPARTMENT OF SOCIAL SERVICES**

STATE MEDICAL

# 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total
TAFP AFTER VETO	ES		***************************************					
			EE	0.00	150,000	0	0	150,000
			PD	0.00	31,091,106	0	1,813,765	32,904,871
			Total	0.00	31,241,106	0	1,813,765	33,054,871
DEPARTMENT COR	RE ADJ	USTME	ENTS					
Core Reallocation	485	6382	ΕE	0.00	26,250	0	0	26,250
Core Reallocation	485	6382	PD	0.00	(26,250)	0	0	(26,250)
NET DE	PARTI	MENT (	CHANGES	0.00	0	0	0	0
DEPARTMENT COR	RE REC	UEST						
			EE	0.00	176,250	0	0	176,250
			PD	0.00	31,064,856	0	1,813,765	32,878,621
			Total	0.00	31,241,106	0	1,813,765	33,054,871
GOVERNOR'S REC	OMME	NDED (	CORE					
			EE	0.00	176,250	0	0	176,250
			PD	0.00	31,064,856	0	1,813,765	32,878,621
			Total	0.00	31,241,106	0	1,813,765	33,054,871

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Budget Unit	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC FTE
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	
STATE MEDICAL								
CORE								
PROFESSIONAL SERVICES	176,250	0.00	150,000	0.00	176,250	0.00	176,250	0.00
TOTAL - EE	176,250	0.00	150,000	0.00	176,250	0.00	176,250	0.00
PROGRAM DISTRIBUTIONS	31,010,573	0.00	32,904,871	0.00	32,878,621	0.00	32,878,621	0.00
TOTAL - PD	31,010,573	0.00	32,904,871	0.00	32,878,621	0.00	32,878,621	0.00
GRAND TOTAL	\$31,186,823	0.00	\$33,054,871	0.00	\$33,054,871	0.00	\$33,054,871	0.00
GENERAL REVENUE	\$29,383,661	0.00	\$31,241,106	0.00	\$31,241,106	0.00	\$31,241,106	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$1,803,162	0.00	\$1,813,765	0.00	\$1,813,765	0.00	\$1,813,765	0.00

#### PROGRAM DESCRIPTION

Department: Social Services
Program Name: State Medical

Program is found in the following core budget(s): State Medical

#### 1. What does this program do?

PROGRAM SYNOPSIS: Provides payment for services for State Medical participants. State Medical participants are individuals who do not meet categorical criteria for Title XIX.

The State Medical program, funded solely by state funds, provides health care services for individuals who do not meet categorical eligibility criteria for Title XIX. State Medical participants are in one of four categories of eligibility: Child Welfare Services (CWS); Blind Pension (BP); Presumptive Eligibility for Pregnant Women; or medical care for youth in the custody of the Division of Youth Services (DYS-GR). The unique aspect of the State Medical appropriation is that payments are made for certain eligibility groups only, but for nearly all the same services which are reimbursed for Title XIX eligibles.

All Medical Assistance programs which are available through the Title XIX program are also available through the State Medical program with the exception of the following: Buy-In, HIPP, transplant and NEMT.

<u>Child Welfare Services (CWS)</u> - These eligibles are children who are in the legal care and custody of the Children's Division and have been placed in foster care, but are not eligible for MAF - Foster Care MO HealthNet payments (not eligible for federal Title IV-E through the Children's Division). These children are identified as Homeless, Dependent, and Neglected (HDN), but due to income standards are not eligible for federal Title XIX medical assistance.

Blind Pension (BP) - The Blind Pension program was established in 1921 and is financed entirely by state funds. This program provides assistance for blind persons who do not qualify under the supplemental aid to the blind law and who are not eligible for Supplemental Security Income (SSI) benefits. Each participant receives a monthly cash grant (Family Support Division appropriation) and State Medical assistance. In order to qualify for the BP program, a person must meet all of the following eligibility requirements: 18 years of age or older; living in the state; has not given away, sold or transferred real or personal property worth more than \$20,000; is of good moral character; has no sighted spouse living in Missouri who can provide support; does not publicly solicit alms; is determined blind as defined by RSMo. 290.040; is found to be ineligible for Supplemental Aid to the Blind; is willing to have medical treatment or an operation to cure blindness (unless he/she is 75 years of age or older); is not a resident of a public, private, or endowed institution except a public medical institution; and is found ineligible to receive federal Supplemental Security Income (SSI) benefits.

<u>Presumptive Eligibility for Pregnant Women</u> - This is a temporary eligibility program that covers services provided to pregnant women while they wait for formal determination of MO HealthNet eligibility. The participant is State Medical eligible from the time of eligibility rejection to the end of the temporary eligibility period. These participants may receive ambulatory prenatal care to include the following services: physician/clinic, nurse midwife, diagnostic lab and x-ray, pharmacy, and outpatient hospital services.

<u>Division of Youth Services - General Revenue (DYS-GR)</u> - This program covers youth in the legal custody of the Division of Youth Services (DYS) who reside in facilities of 25 beds or more (and thus cannot qualify for MO HealthNet coverage since they reside in an institutional setting). Every youth that is committed to DYS is originally set up in this category for medical coverage. When the residential setting is determined, if the commitment is to a facility of 25 beds or more, then the child remains eligible for DYS-GR. Otherwise, eligibility is established for Title XIX Medicaid for those children committed to facilities with less than 25 beds. Children placed in a not-for-profit residential group facility (RGF) by a juvenile court are MO HealthNet eligible during their term of placement. Children who are placed in such homes by their parent(s), and who are already eligible for MO HealthNet coverage, will continue to receive MO HealthNet benefits while in the group.

# 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.151, 208.152, 191.831

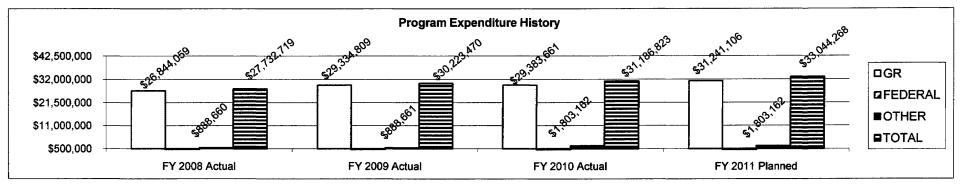
## 3. Are there federal matching requirements? If yes, please explain.

No.

## 4. Is this a federally mandated program? If yes, please explain.

No.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Reverted: \$10,603 Other Funds

## 6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275) and Pharmacy Federal Reimbursement Allowance Fund (0144).

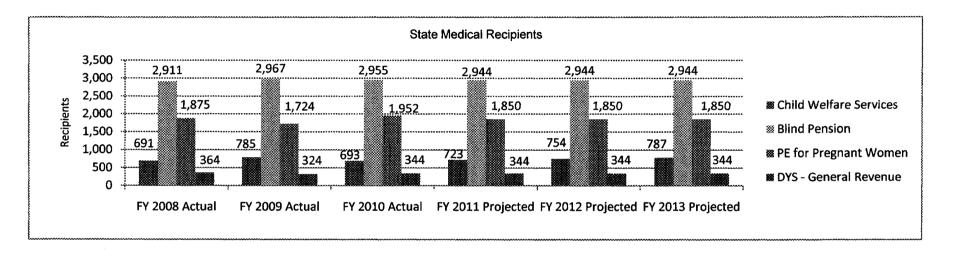
## 7a. Provide an effectiveness measure.

This appropriation represents a group of eligibles and not just one program. Effectiveness measures for the State Medical appropriation are incorporated into fee-for-service program sections.

## 7b. Provide an efficiency measure.

This appropriation represents a group of eligibles and not just one program. Efficiency measures for the State Medical appropriation are incorporated into fee-for-service program sections.

# 7c. Provide the number of clients/individuals served, if applicable.



# 7d. Provide a customer satisfaction measure, if available.

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**DECISION ITEM SUMMARY** 

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Budget Unit								
Decision Item	FY 2010	FY 2010	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	<b>GOV REC</b>
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MO HLTHNET SUPP POOL								
CORE								
EXPENSE & EQUIPMENT								
TITLE XIX-FEDERAL AND OTHER	1,555,524	0.00	150,000	0.00	1,555,525	0.00	1,555,525	0.00
THIRD PARTY LIABILITY COLLECT	1,292,623	0.00	150,000	0.00	1,292,625	0.00	1,292,625	0.00
TOTAL - EE	2,848,147	0.00	300,000	0.00	2,848,150	0.00	2,848,150	0.00
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	91,097,353	0.00	23,957,486	0.00	22,551,961	0.00	22,551,961	0.00
FEDRAL BUDGET STAB-MEDICAID RE	68,231,212	0.00	0	0.00	0	0.00	0	0.00
UNCOMPENSATED CARE FUND	700,001	0.00	1	0.00	1	0.00	1	0.00
PHARMACY REBATES	2,782,127	0.00	0	0.00	0	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	6,264,066	0.00	7,421,156	0.00	6,278,531	0.00	6,278,531	0.00
FEDERAL REIMBURSMENT ALLOWANCE	0	0.00	1	0.00	1	0.00	1	0.00
NURSING FACILITY FED REIM ALLW	0	0.00	181,500	0.00	181,500	0.00	181,500	0.00
LIFE SCIENCES RESEARCH TRUST	9,000,000	0.00	0	0.00	0	0.00	0	0.00
PREMIUM	3,309,847	0.00	3,837,940	0.00	3,837,940	0.00	3,837,940	0.00
TOTAL - PD	181,384,606	0.00	35,398,084	0.00	32,849,934	0.00	32,849,934	0.00
TOTAL	184,232,753	0.00	35,698,084	0.00	35,698,084	0.00	35,698,084	0.00
GRAND TOTAL	\$184,232,753	0.00	\$35,698,084	0.00	\$35,698,084	0.00	\$35,698,084	0.00

#### **CORE DECISION ITEM**

Department: Social Services
Division: MO HealthNet

**Budget Unit: 90582C** 

Core: MO HealthNet Supplemental Pool

1. CORE	FIN	JAN	CIAL	. SUI	MMARY

		FY 2012 Budg	et Request			FY 2012 Governor's Recommendation			
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE		1,555,525	1,292,625	2,848,150	EE		1,555,525	1,292,625	2,848,150
PSD		22,551,961	10,297,973	32,849,934	PSD		22,551,961	10,297,973	32,849,934
TRF				, ,	TRF		, ,		
Total		24,107,486	11,590,598	35,698,084	Total		24,107,486	11,590,598	35,698,084
						<del></del>	<del></del>	<del></del>	<del></del>
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0	Est. Fringe	0	0	0
Note: Fringes budg	eted in House Bill	5 except for certa	in fringes budgete	d directly	Note: Fringes b	udgeted in House L	Bill 5 except for	r certain fringes budgete
to MoDOT, Highway	y Patrol, and Conse	ervation.			directly to MoDC	T, Highway Patrol,	and Conserva	ation.

Other Funds: Premium Fund (0885)

Third Party Liability Collections (TPL) (0120) Uncompensated Care Fund (UCF) (0108)

Federal Reimbursement Allowance (FRA) Fund (0142)

Nursing Facility Federal Reimbursement Allowance (NFRA) (0196)

Other Funds: Premium Fund (0885)

Third Party Liability Collections (TPL) (0120) Uncompensated Care Fund (UCF) (0108)

Federal Reimbursement Allowance (FRA) Fund (0142)

Nursing Facility Federal Reimbursement Allowance (NFRA) (0196)

## 2. CORE DESCRIPTION

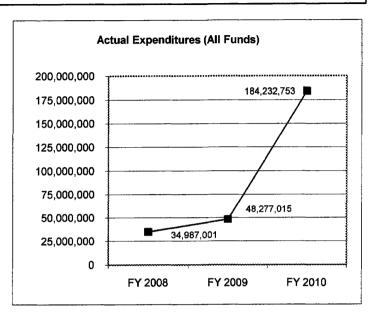
This core request is for the continued funding of the Mo HealthNet Supplemental Pool. The Supplemental Pool is needed to enable the division to respond to unanticipated changes in the cost of providing health care to MO HealthNet participants.

# 3. PROGRAM LISTING (list programs included in this core funding)

Supports MO HealthNet Program

## 4. FINANCIAL HISTORY

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Current Yr.
Appropriation (All Funds)	37,121,857	55,684,691	236,371,043	35,698,084
Less Reverted (All Funds)	0	(1)	0	N/A
Budget Authority (All Funds)	37,121,857	55,684,690	236,371,043	N/A
Actual Expenditures (All Funds)	34,987,001	48,277,015	184,232,753	N/A
Unexpended (All Funds)	2,134,856	7,407,675	52,138,290	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	1,302,885	2,930,228	48,496,356	N/A
Other	831,971	4,477,447	3,641,934	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### **NOTES:**

- (1) Agency reserve of \$324,718 in UCF and \$1,099,054 in Federal Funds.
- (2) Supplemental appropriation authority increase: Federal \$11,668,707 and Uncompensated Care Fund \$8,317,899. (Lapsed \$2,930,352 in Federal and \$2,742,563 in Uncompensated Care.)
- (3) Supplemental appropriation authority increase: Federal \$107,782,467; Federal Budget Stabilization \$77,490,492; Uncompensated Care Fund \$700,000; Pharmacy Rebates \$5,700,000 and Life Science Research Funds \$9,000,000. (Lapsed \$39,237,171 in Federal, \$9,259,280 in Federal Budget Stabilization, \$2,917,873 in Pharmacy Rebates, \$181,500 in NFFRA and \$528,093 in Premiums.)

# 4. FINANCIAL HISTORY continued

# Supplemental Pool Payments By Services

	FY 2008	FY 2009	FY 2010
Pharmacy	\$0	\$0	\$10,759,974
Physician Related Services	\$0	\$22,501,730	\$89,692,366
Medicals	\$0	\$454,433	\$2,846,935
Dental	\$3,700,340	\$1,902,556	\$2,523,921
Premium Payments	\$0	\$3,578,354	\$7,214,660
Home Health	\$0	\$0	\$81,493
Rehab & Specialty Services	\$0	\$3,283,111	\$15,916,437
Hospital Care	\$29,831,043	\$6,130,134	\$32,443,758
Managed Care	\$0	\$0	\$17,865,128
Women's Health (1115 Waiver)	\$577,544	\$0	\$102,666
DESE Services	\$0	\$20,803	\$22,707
State Medical	\$302,027	\$358,091	\$1,294,780
In-Home Care (DHSS)	\$569,147	\$5,384,946	\$2,683,370
Other Misc	\$6,900	\$205	\$619,127
Residential Treatment Service	\$0	\$4,662,652	\$165,251
Total	\$34,987,001	\$48,277,015	\$184,232,573

## **CORE RECONCILIATION DETAIL**

# DEPARTMENT OF SOCIAL SERVICES

MO HLTHNET SUPP POOL

# 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR		Federal	Other	Total	
TAFP AFTER VETO	Ee				<u> </u>		1 000101	<u> </u>		
TAFF AFTER VETO	LO		EE	0.00		0	150,000	150,000	300,000	
			PD	0.00		0	23,957,486	11,440,598	35,398,084	
			Total	0.00		0	24,107,486	11,590,598	35,698,084	-
DEPARTMENT CO	RE ADJ	USTME	ENTS							-
Core Reallocation	486	0238	EE	0.00		0	0	1,142,625	1,142,625	
Core Reallocation	486	9331	EE	0.00		0	1,405,525	0	1,405,525	
Core Reallocation	486	0238	PD	0.00		0	0	(1,142,625)	(1,142,625)	
Core Reallocation	486	9331	PD	0.00		0	(1,405,525)	0	(1,405,525)	
NET DE	PARTI	MENT (	CHANGES	0.00	,	0	0	0	G	
DEPARTMENT CO	RE REC	UEST								
			EE	0.00		0	1,555,525	1,292,625	2,848,150	
			PD	0.00		0	22,551,961	10,297,973	32,849,934	
			Total	0.00		0	24,107,486	11,590,598	35,698,084	_
GOVERNOR'S REC	OMME	NDED (	CORE							
			EE	0.00		0	1,555,525	1,292,625	2,848,150	
			PD	0.00		0	22,551,961	10,297,973	32,849,934	
			Total	0.00	<del></del>	0	24,107,486	11,590,598	35,698,084	

FY12 Department of Social Services Report #10

DE	CIS	<b>ION</b>	ITEM	DET	ΔII
	UIU		I I LITE		

Budget Unit Decision Item	FY 2010 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 BUDGET	FY 2012 DEPT REQ	FY 2012 DEPT REQ	FY 2012 GOV REC	FY 2012 GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MO HLTHNET SUPP POOL								
CORE								
PROFESSIONAL SERVICES	2,848,147	0.00	300,000	0.00	2,848,150	0.00	2,848,150	0.00
TOTAL - EE	2,848,147	0.00	300,000	0.00	2,848,150	0.00	2,848,150	0.00
PROGRAM DISTRIBUTIONS	181,384,606	0.00	35,398,084	0.00	32,849,934	0.00	32,849,934	0.00
TOTAL - PD	181,384,606	0.00	35,398,084	0.00	32,849,934	0.00	32,849,934	0.00
GRAND TOTAL	\$184,232,753	0.00	\$35,698,084	0.00	\$35,698,084	0.00	\$35,698,084	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$160,884,089	0.00	\$24,107,486	0.00	\$24,107,486	0.00	\$24,107,486	0.00
OTHER FUNDS	\$23,348,664	0.00	\$11,590,598	0.00	\$11,590,598	0.00	\$11,590,598	0.00

#### PROGRAM DESCRIPTION

**Department: Social Services** 

Program Name: MO HealthNet Supplemental Pool

Program is found in the following core budget(s): MO HealthNet Supplemental Pool

## 1. What does this program do?

PROGRAM SYNOPSIS: Provides funding for the division to respond to unanticipated changes in the cost of providing health care to MO HealthNet participants.

The MO HealthNet Supplemental Pool Section was the result of rapidly expanding MO HealthNet participants and unpredictability of resulting costs. Substantial supplemental budget requests in successive years prompted the Missouri state legislature to appropriate funding for unanticipated MO HealthNet expenditures. Typically, the supplemental pool has been utilized by the legislature to appropriate funding under certain unique circumstances. These include funding for major one-time program expenditures, such as residual claims, and funding to be made available for unanticipated fee-for-service and/or managed care expenditures.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The legal authority for the Supplemental Pool is the authority associated with each MO HealthNet program. See each program description for the specific federal and state authority.

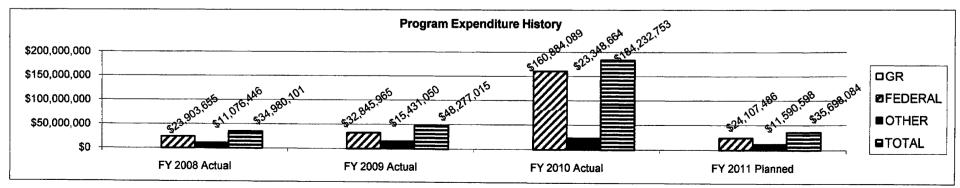
# 3. Are there federal matching requirements? If yes, please explain.

The federal matching requirements for the MO HealthNet Supplemental Pool are the requirements associated with any of the MO HealthNet programs paid from the supplemental pool. See each program description for specific federal matching requirements.

## 4. Is this a federally mandated program? If yes, please explain.

The MO HealthNet Supplemental Pool supports both mandated and non-mandated programs. See each program description for specifics.

## 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



## 6. What are the sources of the "Other " funds?

Third Party Liability Collections Fund (0120), Premium Fund (0885), Nursing Facility Federal Reimbursement Allowance Fund (0196), Uncompensated Care Fund (0108), Federal Reimbursement Allowance Fund (0142) and Pharmacy Rebates (0114).

#### 7a. Provide an effectiveness measure.

This appropriation represents a group of eligibles and not one program. Effectiveness measures affecting the MO HealthNet Supplemental Pool appropriation are incorporated into fee-for-service program sections.

## 7b. Provide an efficiency measure.

This appropriation represents a group of eligibles and not one program. Efficiency measures affecting the MO HealthNet Supplemental Pool appropriation are incorporated into fee-for-service program sections.

## 7c. Provide the number of clients/individuals served, if applicable.

Supplemental Pool Expenditures								
SFY	SFY Actual							
2008	\$35.0 mil	\$35.7 mil						
2009	\$48.3 mil	\$35.7 mil						
2010	\$184.2 mil	\$35.7 mil						
2011		\$35.7 mil						
2012		\$35.7 mil						
2013		\$35.7 mil						

## 7d. Provide a customer satisfaction measure, if available.